



**NOTTINGHAMSHIRE
POLICE & CRIME
COMMISSIONER**

Statement of Accounts 2024-25

Nottinghamshire Police & Crime Commissioner and Group

(Final as at 06/02/2026)

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The Narrative Report to the financial statements provides a guide to the most significant matters reported in the accounts and includes key performance information, a comparison of outturn figures to the budget and highlights any specific matters.

I am pleased to present the Statement of Accounts for the Police & Crime Commissioner for Nottinghamshire for the financial year 2024/25. This Statement of Accounts sets out the overall financial position of the Police & Crime Commissioner for Nottinghamshire (PCC Group) for the year ended 31 March 2025.

The PCC Group is responsible for providing policing services to Nottinghamshire.

1. NOTTINGHAMSHIRE

Nottinghamshire is a diverse county. It has a mixture of affluent communities and those developing from being former mining areas. The County's major urban area of the City and surrounding conurbation is mainly in the south with the majority of the north and east of the County being rural. There is a population of approximately 1.2m within the City and County which is ethnically diverse with 12% identifying as coming from Black, Asian, and other minority ethnic communities which, coupled with our student groups, creates a vibrant place to live, work and visit. Most properties across the City and County fall within Council Tax bands A and B.

Nottinghamshire is one of five regional forces in the East Midlands and works closely with the other four to provide an effective and efficient service. Central Government funding provides the PCC with approximately 65% of the net funding required to police Nottinghamshire. The remainder is met from local council tax, and any contributions from reserves. For 2024/25 the Government funding was increased because of the National Uplift Programme to a total of £192.7m. For 2024/25 all PCCs could raise council tax by up to £13 per annum (per Band D) without triggering a referendum.

2. GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area, with operational policing being the responsibility of the Chief Constable. The Commissioner is also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. To discharge this accountability the Commissioner and senior officers must put in place proper procedures for the governance and stewardship of the resources at their disposal. The annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement which forms part of the financial statements and includes the governance arrangements of the Chief Constable.

3. ORGANISATION

The PCC receives all funding and income and makes all payments for the PCC Group. Under a detailed Scheme of Delegation an annual budget is provided, following consultation with the Chief Constable, for fulfilling requirements for policing Nottinghamshire in accordance with the Police and Crime Plan.

All Police Officers and most police staff (other than a small number relating to the PCC's Office) are in the Chief Constable's employment. The Financial Statements reflect the cost of providing operational policing in the Chief Constable's accounts.

Nottinghamshire Police is one of five regional forces in the East Midlands and works closely on various collaborations to provide an efficient service. More detail and how they are accounted for in these Financial Statements is provided in the joint operations supplementary accounts from page 87.

4. PRIORITIES & ACHIEVEMENTS

The Nottinghamshire Police and Crime Plan 2025-29 was launched in February 2025 and set three core objectives:

- **Putting Communities and Victims First**, with a particular focus on ensuring visible, accessible and resilient neighbourhood policing and working with communities to tackle anti-social behaviour
- **Strengthening Partnership Working**, with a particular focus on tackling Violence Against Women and Girls and Serious Violence and Knife Crime
- **Effective and Resilient Policing**, with a particular focus on improving the quality and effectiveness of response and improving the quality of investigations

Work in delivering against the draft plan commenced in Summer 2024. Key achievements against the objectives of the Police and Crime Plan are set out below.

Putting Communities and Victims First

The Chief Constable significantly enhanced its neighbourhood policing offer in 2024/25 as part of plans accelerated in the wake of 'causes for concern' identified by HMICFRS. The new model includes an increased focus on community engagement, targeted activity and problem solving

- *Neighbourhood Officer service strength increased by 25% in 2024/25, alongside reforms to shift patterns and an enhanced focus on community engagement, intelligence and problem solving that are helping to deliver more visible and accessible Neighbourhood Policing. The Chief Constable also launched a new abstraction policy in July 2024 which aims to ensure that neighbourhood officers are not diverted from their core neighbourhood duties. HMICFRS revisited the force in February 2025 which led to the cause for concern in this area being formally closed. Roy Wilsher OBE QFSM, HMICFRS said "I commend the force for the progress it has made in this area. The force has tackled the issue of neighbourhood officers being diverted from their main duties and has shown enough signs of progress to allow us to close this cause of concern."*

The Chief Constable and OPCC have continued to strengthen engagement with local communities through the Notts Alert System and Independent Advisory Group structure

- *Nottinghamshire Police have continued to promote the Notts Alert system as a mechanism for engaging with communities through surveys, advertising engagement opportunities and seeking feedback. 45,000 users were signed up to the Notts Alert system as at March 2025, with February seeing the highest sign up of new users on record (+1,000). This places the Chief Constable 6th nationally in terms of overall reach via the system and 7th highest nationally in terms of reach among minority ethnic communities. The Chief Constable also launched a Strategic Independent Advisory Group (IAG) in September 2024 as part of a new infrastructure for engaging with community representatives. The new structure consists of 10 subgroups comprising: LGBTQ+, African and Caribbean, Romanian, South Asian, Traveller and Gypsy, Disability and Neurodiversity, Students, Asylum Seekers and Refugees, Multi faith and Youth. Each subgroup is able to escalate issues or concerns arising to the Strategic IAG meeting, attended by the OPCC and Chief Constable lead for local policing.*

The OPCC has worked to further strengthen openness, transparency and accountability arrangements as part of robust new governance processes

- *The OPCC published a revised Holding to Account Framework in November which set out the governance and assurance mechanisms in place to hold the Chief Constable to account and ensure delivery against the new Police and Crime Plan. In July, the OPCC launched a new monthly Planning and Efficiency Group to oversee the Chief Constable's annual strategic and financial planning process and hold the Chief Constable to account for the efficient and effective use of resources. The Accountability Board model was also redeveloped to be more accessible to the public, enabling residents to directly ask questions of the Chief Constable relating to priority Police and Crime Plan topics. The OPCC also launched a new and improved website in July, designed to make it easier for members of the public to learn more about the work of the OPCC.*

The number of victims referred to and supported by OPCC commissioned victim services has continued to increase throughout the year

- The number of victims receiving support through the OPCC commissioned Victim CARE services increased by 73% in 2024/25, following the transition from an 'opt in' to an 'opt out' model in October 2023. The PCC also promoted the work of Nottinghamshire Victim CARE in supporting vulnerable victims of fraud, with the service having received over 1,000 referrals from Action Fraud in 2024/25. Improvements in the delivery of Victim Care outcomes have been complemented by work led by the Operation Catalyst improvement programme. This helped to achieve a 3.4% point improvement in victims being kept updated on the progress of their case - rising to over 97% - and a 5% point improvement in satisfaction with the police in 2024/25.

Strengthening Partnership Working

2024/25 saw the culmination of situational crime prevention activity delivered under the multi-million-pound Safer Streets programme which has helped to drive crime reductions across multiple hotspot locations across Nottinghamshire as part of a multi-agency approach

- The Safer Streets 5 programme concluded in March 2025 following in year investment of £820k Home Office funding and £513k PCC funding for targeted interventions to tackle ASB, residential burglary, personal robbery, theft from person, vehicle crime and violence against women and girls (VAWG). The programme which will be evaluated in 2025 helped to increase safety and feelings of safety among many residents in communities affected by higher-than-average levels of crime and ASB. Positively, 2024/25 saw a further 3.7% reduction in victim-based crime, which included a 9.3% reduction in vehicle crime and a 4.4% reduction in residential burglary.

The OPCC has worked with the police and other partner agencies to pilot the innovative Immediate Justice (IJ) scheme which delivers swift and visible community reparation in response to ASB

- Over 550 individuals were referred to the service in 2024/25, the majority via police issued conditional cautions (60%) or community resolutions (24%). Eligibility for the scheme was expanded to young people in October 2024 as part of a 'Child-First' approach, with all young people referred to the scheme receiving 1 to 1 support from experienced youth workers alongside delivery of the required reparatory or community-based activity. A dedicated IJ website was launched in September 2024 enabling members of the public to nominate locations suitable for reparation activity via 'Fix My Street'. This has helped to ensure that reparation activity and partnership days of action are targeted in the areas of greatest need and community impact. An analysis of the IJ scheme undertaken in December 2024 found that rates of re-offending (7.5%) among the IJ cohort were significantly lower than that of a similar cohort that did not undertake IJ (30%). This work has helped to support a 14.5% reduction in police recorded anti-social behaviour in 2024/25.

The Nottinghamshire Prevention Hub and Nottinghamshire Violence Reduction Partnership continued to lead a wide range of educational and diversionary activity to support long term reductions in serious violence and first-time entrants into the youth justice system throughout 2024/25

- The Youth Endowment Funded (YEF) 'Another Way' Focused Deterrence project continued to work with young people aged 14 to 24 years at risk of involvement in serious violence in Nottingham City, while a new intervention providing 121 mentoring and structured interventions with young adult male prisoners at HMP Ranby started in July 2024. Late Night Levy funding was used in December to provide additional visibility and support in Nottingham's night-time economy, including provision of a trusted point of contact for people who are at risk of harm, vulnerable or in need of help and advice. Operation Sceptre, the national week of action on knife crime, also saw around 890 weapons being removed from circulation between September and November alone, with amnesty bins being made available at front counters across the Chief Constable area. The National Police Chiefs' Council's lead for knife crime Commander Clayman, visited Nottinghamshire in November 2024 to hear about the partnership work underway. He commented that "I was very impressed with the strong collaboration between policing, VRP, education and voluntary sector. The work conducted...was exceptional to see. It was compelling to see real examples of people embedded in their communities, not only suppressing

violence in the moment, but also building in longer term prevention work. This was a great example of working across the different facets of tackling knife crime, from prevention to enforcement". Positively, 2024/25 saw a further 3.5% reduction in violent knife crimes.

The OPCC, police and partners have continued to lead and develop the multi-agency approach to tackling Violence Against Women and Girls across Nottinghamshire

- Deputy PCC, Angela Kandola was appointed in 2024 to lead on this important Police and Crime Plan priority, which included the partnership funded Healthy Relationship Programme in schools, Safer Streets activity to make open spaces and public transport services more welcoming and secure for women and girls and Nottinghamshire's first VAWG Stakeholder Reference Meeting in September which brought together around 100 local stakeholders to review and drive progress against the VAWG strategy. 2024/25 also saw the roll out of a new Multi-Agency Risk Assessment Conference (MARAC) model in the city which successfully enables critical safeguarding decisions to be fast-tracked. As a result, cases are now being heard within days as opposed to weeks. The Chief Constable's Prevention Hub also took the lead role in centrally managing protective orders across Nottinghamshire, with Neighbourhood Policing Teams having responsibility for providing victims with safeguarding advice and undertaking proactive compliance checks on perpetrators. Positively, Nottinghamshire saw a 50% increase in the use of domestic violence protection and prevention measures¹ during 2024/25.

Effective and Resilient Policing

The Chief Constable made significant progress in improving monitoring and supervision of police investigations following 'areas of concern' highlighted by HMICFRS in March 2024

- The Chief Constable has invested in and develop its use of the Quality Assurance Thematic Testing (QATT) tool for tracking and assessing the quality of investigations and has maintained high levels of compliance in terms of victim updates, investigation updates and supervisory reviews. 2024/25 also saw marked reductions in the number of outstanding suspects and outstanding warrants. HMICFRS provided positive feedback on the improvements made in investigation quality following their re-inspection of Nottinghamshire police in February 2025, observing a 'whole force' response to improving investigation standards which is helping officers to identify new lines of enquiry. Furthermore, the Chief Constable introduced a Remote Investigations Domestic Abuse Team (RIDA) in Spring 2024 to drive improvements in response times and the service provided to victims of domestic abuse by making best use of video call technology where appropriate. The service has helped to drive further improvements in safeguarding, victim satisfaction and statement capture. Positively, 2024/25 saw a 7.4% improvement in the quality of police investigations, as measured by the OPCC Investigation Index score and a 6.1% increase in police charges and summons.

The Chief Constable maintained one of the strongest call answering rates in the country throughout 2024/25 with around 91% of 999 calls answered within 10 seconds

- Nottinghamshire Police relaunched its 101 service in June to ensure the public are immediately directed to the department who can answer their enquiry via a new automated voice recording message and a reduction in the number of options to choose from. This has helped to reduce call times and improve confidence in, and satisfaction with, the service. HMICFRS Value for Money Profiles published in 2025 highlighted Nottinghamshire Police as having one of the highest rates of 999 calls answered within 10 seconds in England and Wales (91%), following a 3.8% point improvement during the year.

The Chief Constable also made significant progress in improving oversight and management of performance in 2024/25 in response to 'areas of concern' highlighted by HMICFRS in 2024 as part of the Operation Catalyst improvement plan

- The Chief Constable has developed a more focussed and informed approach to performance management activity in 2024/25 which has been supported by the introduction of new performance management tools and

¹ Domestic Violence Protection Notices (DVPNs), Domestic Violence Protection Orders (DVPOs), Domestic Violence Disclosure Scheme disclosures

dashboards which providing dynamic real-time performance information and the introduction of the Quality Assurance Thematic Testing (QATT) tool for tracking and assessing the quality of service. The Chief Constable is maintaining high levels of compliance in terms of victim updates, investigation updates and supervisory reviews.

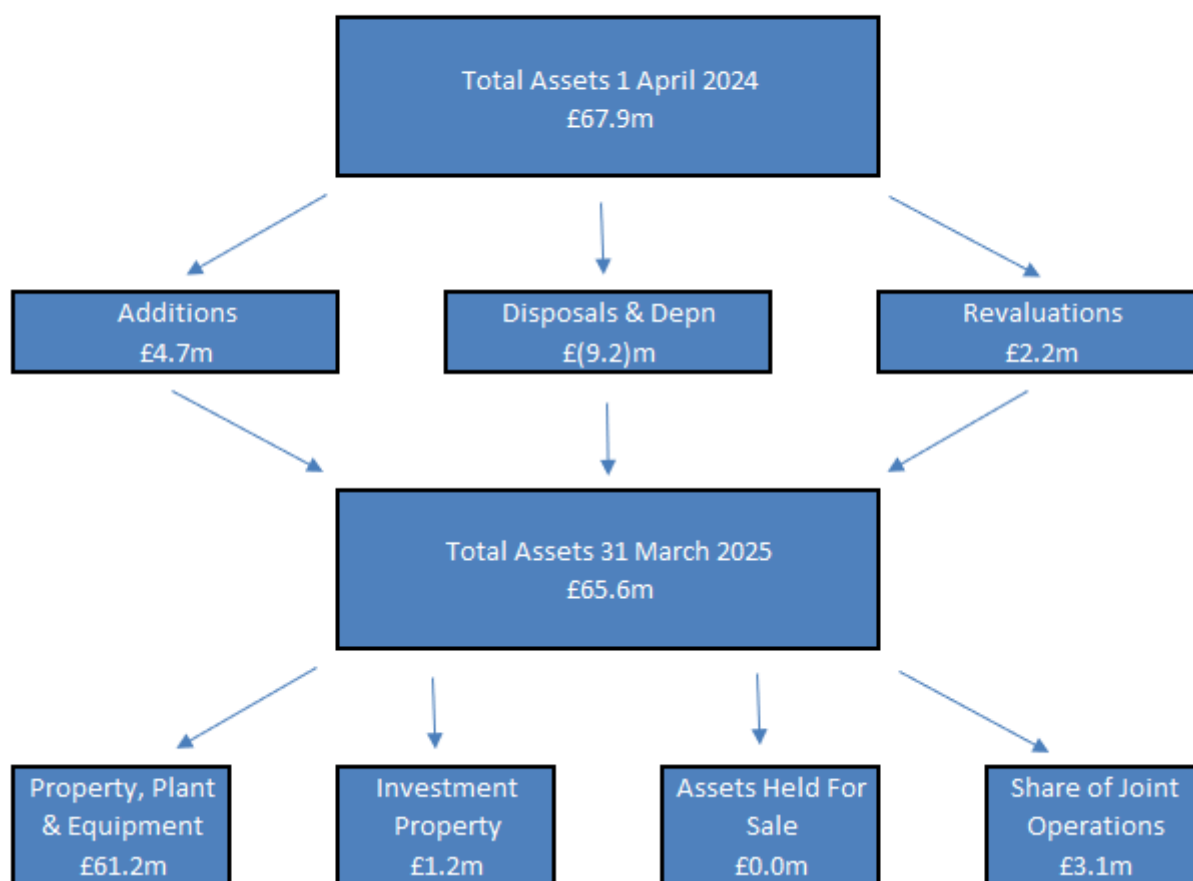
The Chief Constable transferred to a new two tier Out Of Court Resolution (OOCR) framework in January 2025 which is ensuring that all Out Of Court Resolutions will now include meaningful conditions that are rehabilitative, reparative, or punitive with a view to addressing the issues that drive offending behaviour

- The suite of six crime resolution options were streamlined in 2025 to Community Resolutions and Conditional Cautions. A dedicated OOCR team is responsible for overseeing and promoting the use of OOCRs and ensure that action is taken should offenders fail to comply with the conditions prescribed. The reforms place Nottinghamshire in strong position to better address the factors associated with offending and re-offending and maximise use of the commissioned support services over the coming year.

5. FINANCIAL PERFORMANCE

Capital

Nottinghamshire is responsible for managing non-current assets with a value in excess of £60m

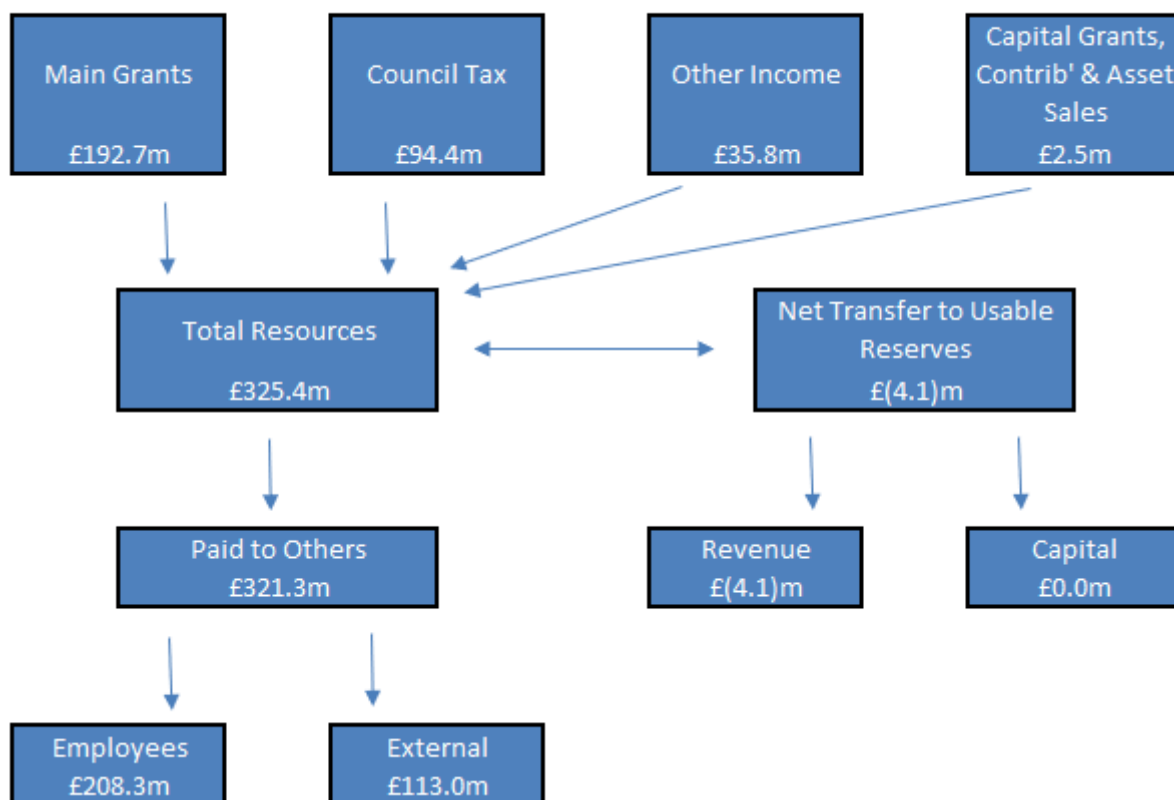


Capital Expenditure

Nottinghamshire continues to have an ambitious capital programme. Opportunities to work collaboratively either with blue light services or under the One Public Estate agenda will be explored. The main areas of expenditure over the next 5 years are:

- Maintaining the existing estate - £13.4m
- Updating and replacing IT - £12.8m
- Vehicle replacements - £25.8m

Revenue



Provisions and Reserves

The Insurance Provision required additional contributions during the year to meet the cost of potential claims outstanding. This increase was offset by the Legal Pay Claims Provision which reduced during the year as claims were settled, so overall provisions at March 2025 were consistent with prior year. Reserves continue to be replenished to finance revenue and capital expenditure over the medium term. General reserve balances are kept at above 3% of net revenue expenditure to manage and fund demand led spending pressures. The remainder of usable reserves are allocated to fund specific initiatives or meet areas of anticipated future spending.

At 31 March 2025	
Total Provision	£5.0m
Total Usable Revenue Reserves	£45.6m
Total Usable Capital Reserves	£(0.0)m

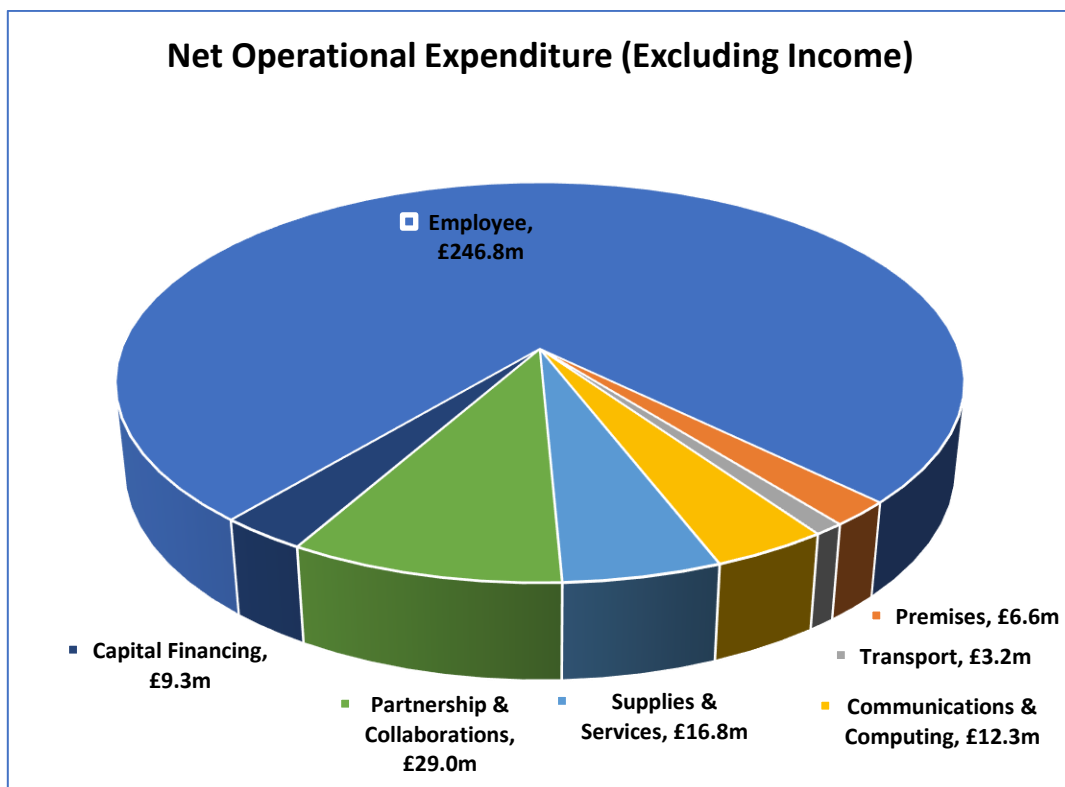
Operating Expenditure Analysis

Total operating expenditure for the 2024/25 financial year was £284.1m. This is more than expenditure shown in the financial statements due to adjustments for regional costs, pension costs and other adjustments for statutory reporting purposes. The Pensions accounting are purely technical accounting costs relating to IAS19. The table below shows those items which are excluded from total operational expenditure.

2023-24 Group £000	Operating Expenditure Reconciliation to Outturn	2024-25 Group £000
276,814	Gross expenditure as per financial statements	301,419
(41,952)	Fee Charges Other Service Income as per financial statements	(35,810)
234,862	Net Operating Expenditure as per financial statements	265,609
17,246	Pension Accounting	25,176
738	PFI & Lease adjustments	2,021
(1,342)	Joint Operations	(1,963)
(7,012)	Capital Accounting	(9,796)
693	Accumulated Absences	(1,172)
4,649	Statutory reporting adjustments	4,154
436	Post outturn adjustments	80
250,270	Net Operating Expenditure as per Outturn	284,110

The main components of total operational expenditure are detailed on the next page.

- Employee – 87% of total expenditure, including police officers, police staff and police community support officers.
- Partnership & Collaborations – 10% of total spend. Contributions to a variety of regional partners supporting service provision.
- Supplies and Services – 6% of total spend. Expenditure on a wide variety of supplies and services used by the PCC/Notts Police on a daily basis.
- Premises – 2% of total. Expenditure on running and maintaining the PCC/Notts Police estate.
- Communications & Computing – 4% of total, on hardware, software, phone and network services.
- Capital Financing – 3% of total expenditure on financing the capital programme.
- Transport – 1% of total expenditure on vehicle and travel costs undertaken by the PCC/Notts Police.



Outturn

The outturn for the Group is £284.1m which is an underspend of £4.3m against the original budget. The table below shows the breakdown against the budget.

Net Expenditure Budget	Approved Budget £m	Actual £m	Variance £m
Core Funding	(289.9)	(288.4)	1.5
Employee	237.3	244.5	7.2
Partnership & Collaborations	18.1	18.0	(0.1)
Communications & Computing	14.9	12.3	(2.6)
Premises	10.9	6.6	(4.3)
Supplies & Services	17.0	16.0	(1.0)
Capital Financing	6.9	9.1	2.2
Transport	3.2	3.2	0.0
Income	(25.2)	(31.3)	(6.1)
OPCC	6.8	5.7	(1.1)
Total Net Expenditure	289.9	284.1	(4.3)

Employee Costs

This was £244.5m for the year which was an over-spend of £7.2m against the budget.

The pay award for both Officers and Staff was 4.75% against an estimated 2.5%. This was an additional cost of 2.9m, however the majority of these costs were funded by an additional Specific Grant from Government.

Police Constables (PC) numbers were maintained well above our baseline budgeted figure (typically +27PCs), this, along with other allowances created an extra cost of £2.3m, with a further £1.7m of overtime, again much of this was offset by specific grants or operational income increases (shown as increased income).

Staffing vacancies were over 6.6% as the Force struggled to recruit in a difficult marketplace especially for specialist roles, the budgeted rate was 4.75%, this created an underspend of £0.5m, the impact of bringing the cleaning contract in-house was £0.8m, although this was off-set by savings in contractor costs within Premises. Additional and more costly medical retirements added £0.4m to costs.

A delay in the start of Op Perth gave an in-year saving of £1.1m, although overall costs over the coming years are now expected to be greater than anticipated. A range of minor variations has a net cost impact of £0.7m.

Partnerships & Collaboration

A minor variance of £0.1m arose on collaboration activities managed by other regional forces.

Communications & Computing

Costs were £12.3m for the year which was an underspend of £2.6m against the budget, £0.5m of which is a result of delays in ordering replacement IT equipment and will be carried forward into the following year.

Software licences were £0.3m underspent due to the removal of underused licences and renegotiated pricing.

A review of the timescales of replacement equipment meant that £1.8m was not required from the asset replacement reserve.

Premises

The Outturn was £6.6m for the year which was an underspend of £4.3m against the budget mainly due to energy cost increases being less than budgeted £1.7m and expected back dated NNDR charges not materialising £1.1m.

The decision to bring the Notts Police cleaning contract in-house reduced budgeted this budget by £0.8m, with a corresponding increase in staff pay costs.

Supplies & Services

Costs were £17.0m which was an underspend of £1.0m against the budget.

Insurance costs were £0.5m million lower than estimated due to softening market conditions and improved claims history.

Costs of uniform were lower than expected £0.2m, with the remaining £0.3m mainly because of many minor savings in contracts and other purchases.

Capital Financing and Balance Sheet Adjustments

This was £9.1m for the year, which was an overspend of £2.2m against the budget.

The additional spend was due to allocations to reserves, mainly because of additional income earned in trading activities £0.3m being transferred to reserves, as well as well as reduced transfers from the asset replacement reserves (see Comms & Computing), £1.8m.

Transport

This was £3.2m for the year which was on budget.

Income

This was £(31.3)m for the year, which was an increase in income of £(6.2)m compared to budget.

The PCC/Notts Police received additional Government Grants in respect of the pay award of £2.9m and £0.9m additional income because of changing interest rates and more proactive treasury management.

Home Office payments for the provision of custody cells for the prison service (Op Safeguard) provided additional income of £0.2m, as well as further Home Office grants for Op Yeep (national disorder costs August 2024) of £0.3m, Op Perth £0.3m, Hot Spot Grant £0.9m and others £0.2m.

Other income generating activities generated a net £0.5m in additional income.

OPCC

Grants and Commissioning activity underspent by £0.4m. General Commissioning accounted for £0.2m primarily due to the delay of Harmful Sexual Behaviour and Speech and Language Therapy from 2024/25 to 2025/26. The delayed implementation of the new Out of Court Resolutions regime generated an underspend of £0.2m.

There was also an underspend in the core OPCC budget of £0.8m, predominantly due to lower employee costs due to vacancies in the office, and various smaller underspends on non-pay budgets.

Group Budget Monitoring

Notts Police continues to seek ways to improve its financial monitoring processes within departments and the forecast outturn is reviewed monthly. Any changes are reported to the Force Executive Board along with requests for the approval of virements.

In the OPCC the Senior Leadership Team (SLT) review the budget monitoring position monthly. The Group budget monitoring reports are reviewed by the PCC and reported to the Police and Crime Panel and the Joint Independent Audit Committee in accordance with their respective work plans.

The rolling five-year planning model is updated if future years are impacted.

PCC Decision on allocation of the £4.3m underspend

The PCC has approved the following carry forward requests:

- £628k Chief Constable's revenue carry forward in relation to IT, Estates and Judicial Inquiry resource.
- £112k PCC revenue carry forward for delayed activity including Speech and Language Therapy, Harmful Sexual Behaviour.

The remaining balance was £3.6m which has been allocated to the following reserves with PCC approval:

Transfers to Reserves	Group Total £000
Remaining Underspend	(3,579)
Transfer to Reserves:	
MTFP Reserve (as per Reserves Strategy)	2,000
MTFP Reserve additional to Reserves Strategy	500
Operation Perth Reserve (special grant received)	183
Operation Perth Reserve to contribute to overall funding gap	500
Net Contribution to General Fund Reserve	(396)

6. WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (together with the Office of the Police and Crime Commissioner) employs approximately 2,430 police officers, 157 PCSOs, 81 specials and 1,656 staff in full-time and part-time positions.

Ethnicity	Headcount	%	Self-Declared Disability	Headcount	%	Age Band	Headcount	%
Asian/Asian British	135	3.12	No/not specified	3,885	89.85	25 & under	568	13.14
Black/Black British	52	1.20	Yes	439	10.15	26-40	1,699	39.29
Mixed	78	1.80	Total	4,324	100.00	41-55	1,572	36.35
White/White British	4,021	93.00				56 & over	485	11.22
Other	7	0.16				Total	4,324	100.00
Not known/provided	31	0.72						
Total	4,324	100.00						

Gender	Headcount	%
Male	2,272	52.54
Female	2,052	47.46
Total	4,324	100.00

7. NOTTINGHAMSHIRE POLICE GENDER PAY GAP

Nottinghamshire Police supports the fair treatment and reward of all staff, irrespective of gender. Our pay approach is based on the principles of consistency, fairness and transparency, supporting the fair treatment and reward of all staff, irrespective of gender. We are committed to being a diverse and inclusive organisation and understanding and improving our gender pay balance.

Our recruitment teams have continued to work hard to engage with and recruit new police officers and staff from all under-represented backgrounds and ensure opportunity to progress within our organisation through our Proud to Lead Academy, Fast Track schemes and detective pathways. As an organisation we remain determined to tackle the under-representation of women through all grades and ranks and provide every opportunity for women to progress. The Force remains committed to ensuring fairness and inclusivity within Nottinghamshire Police and acknowledge the many benefits this brings to our organisation. We continue to work to identify opportunities to improve this position further, through regular reviews of our Diversity, Equality and Inclusion Strategy and ensuring this is embedded throughout the organisation.

Gender Pay Gap in Hourly Pay

There has been a minor rise in the mean gender pay gap by 0.4% from 8.2% last year to 8.6% this year. There has been an increase in the median gender pay gap by 1.8% from 9.5% last year to 11.3% this year.

Mean Gender Pay Gap	8.6%
Median Gender Pay Gap	11.3%

Salary Quartile Bands

For Police Officers, women represented in the upper middle quartile has seen an increase of 6.1% to 32.4%. Other quartiles have had reductions ranging from 0.8% to 3.9%.

For Police staff, women continue to be represented more in all quartiles, and the upper middle quartile has seen an increase from prior year. Other quartiles have had reductions ranging from 0.5% to 2.1%.

The table below shows salary quartiles for Police Officers and Staff combined.

	Lower	Lower-middle	Upper-middle	Upper
Male Proportion	43.6%	47.7%	55.9%	68.8%
Female Proportion	56.4%	52.3%	44.1%	31.2%

Bonus Gender Pay Gap

The mean bonus gender pay gap has increased slightly from 1.9% in favour of women to 2.0% in favour of women.

Mean Bonus Gender Pay Gap	(-) 2.0%
Median Bonus Gender Pay Gap	7.3%

We have seen an increase in the proportion of females receiving bonus payments by 5.3% from 10.0% last year to 15.3% this year. The percentage of male officers paid a bonus payment has increased by 1.7% from 12.7% last year to 14.4% this year (payments of bonuses to police officers are detailed within the May 2002 Police Negotiating Board Pay Agreement).

	Female	Male
Proportion of Men and Women receiving a bonus payment	15.3%	14.4%

8. EXPLANATION OF ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Group income and expenditure for the year and its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

A glossary of terms can be found at the end of this publication.

9. THE CORE STATEMENTS

The Comprehensive Income and Expenditure Statement (CIES). This records all income and expenditure for the year. The top half of the statement includes policing activity. The bottom half of the statement deals with corporate transactions and funding. It includes actuarial valuations in accordance with the code.

The Movement in Reserves Statement (MIRS) – is a summary of the changes to the Reserves during the year. Reserves are divided into “usable”, which can be invested in capital projects or service improvements, and “unusable”, which must be set aside for specific accounting purposes.

The Balance Sheet is a “snapshot” of the assets, liabilities, cash balances and reserves at the year-end date.

The Cash Flow Statement – shows the reasons for changes in cash balances during the year, whether the change is due to operating activities, new investment or financing activities (such as the repayment of borrowing and other long-term liabilities).

10. THE SUPPLEMENTARY FINANCIAL STATEMENTS

The Annual Governance Statement – this sets out the governance arrangements in place and the key internal controls.

The Pension Fund Accounts – these provide detail about the transactions in relation to the pension fund account for police officers. Details relating to the Local Government Pension Scheme for staff (including PCSOs) are provided in the notes to the accounts.

The Notes to the Accounts – these provide more detail about the accounting policies and individual transactions.

11. FUTURE PROSPECTS

The revenue and capital budget for 2025/26 and Medium-Term Financial Plan (MTFP) were approved by the Police and Crime Commissioner in February 2025 and published on the PCC’s website. The budget includes a precept rise of £13.95 on a Band D property, below the referendum limit set by Government at £14, and considering the outcome of public consultation and a vote of support from the majority of the Police and Crime Panel. A balanced budget of £308.7m was set for 2025/26 including £4.6m use of reserves.

The MTFP shows a cumulative budget gap of some £30m to 2029/30, further savings would be required in those years to balance the budget, the use of reserves to help to balance the budget gives the Chief Constable time to formulate a savings plan in readiness for 2026/27 budget setting in the autumn 2025.

The capital programme for 2025/26 provides for £5.6m of planned expenditure, with a further c£46m in the medium term. Over the period to 2029/30 £13.4m relates to Estates, £25.8m relates to replacement vehicles, and finally £12.8m for IT including Emergency Services Network and a Command and Control System. This is funded primarily from borrowing which has an impact on revenue, given the pressure on the revenue budget the capital programme may not be sustainable at this level in the medium term.

The government, following the general election in 2024, is embedding its Autumn Budget, and announced the Spending Review 2025 (SR25) in June 2025. In the public sector the significant pressures experienced have led to many organisations raising concerns as to their financial stability and sustainability, and several Local Authorities have issued Section 114 notices, with others mooted to be close to Section 114 territory.

Whilst policing has been impacted by inflation, the financial impact thus far has been absorbed within the budget along with some additional grant for pay awards, but it is unclear if such additional funding will be forthcoming in the future. Financial planning and monitoring by the PCC and Chief Constable here in Nottinghamshire has resulted in a combined year end underspend for the 2024/25 financial year which allowed the PCC to transfer some of the funds to the MTFP reserve to assist balancing the 2025/26 budget. Nevertheless, as part of the assessment of the 2025/26 budget and the MTFP through until 2029/30, the PCC CFO has considered a whole range of issues which could impact on financial sustainability, and is content that, based on this review of financial sustainability and the conclusions set out in the PCC’s Section 25 report, there are no significant concerns as to the financial sustainability of Nottinghamshire Police at this time. The financial position and the impact on financial sustainability is kept under ongoing view.

Independent auditor's report to the Police and Crime Commissioner for Nottinghamshire

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of the Police and Crime Commissioner for Nottinghamshire (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement-Group, the Comprehensive Income and Expenditure Statement -PCC, the Movement in Reserves Statement-Group, the Movement in Reserves Statement -PCC, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including material accounting policy information, and include the police pension fund financial statements comprising the Pension Fund Account and Pension Fund Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

We do not express an opinion on the accompanying financial statements of the Police and Crime Commissioner or the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Police and Crime Commissioner to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 26 February 2025, we issued a disclaimer of opinion on the Police and Crime Commissioner and group's financial statements for the year ended 31 March 2024. We were not able to obtain sufficient appropriate audit evidence by 28 February 2025, the previous backstop date, over the Police and Crime Commissioner and group's opening balances, in-year movements in the defined benefit pension liability and property, plant and equipment, the closing balance of property, plant and equipment, the closing defined benefit pension liability balance and the closing reserves balance reported in the financial statements for the year ended 31 March 2024. We were also not able to obtain sufficient appropriate audit evidence by 28 February 2025, to support the benefits payable and member contributions amounts included in the police pension fund financial statements. We were therefore unable to obtain sufficient appropriate evidence over the associated corresponding figures for the year ended 31 March 2025 for the same reason.

As a result of the limitations imposed by the backstop date, we have been unable obtain sufficient appropriate audit evidence over the Police and Crime Commissioner and group's opening balances of property, plant and equipment, defined benefit pension liability and reserves reported in the financial statements for the year ended 31 March 2025. Consequently, we have been unable to satisfy ourselves over their in-year movements. Similarly, this has also resulted in uncertainty over the Police and Crime Commissioner and group's closing balance of property, plant and equipment of £64,340,00 and reserves of £1,796,600,000 as at 31 March 2025. There remains uncertainty regarding the allocation of the Local Government Pension Scheme (LGPS) defined benefit pension liability at 31 March 2025 between the Police and Crime Commissioner and the Chief Constable. This uncertainty does not relate to the Police Pension Scheme and affects reserves and pension liabilities at the Police and Crime Commissioner.

We have concluded that the possible effects of these matters on the financial statements could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Police and Crime Commissioner to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Opinion on other matters required by the Code of Audit Practice

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts other than the Police and Crime Commissioner's and group's financial statements and our auditor's report thereon. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Police and Crime Commissioner gained through our work in relation to the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or,
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities, the Police and Crime 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. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Police and Crime Commissioner's and the group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matters described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory requirements – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Police and Crime Commissioner for Nottinghamshire for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

Richard J J Anderson

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

5 February 2026

STATEMENT OF RESPONSIBILITIES

This section explains the Police and Crime Commissioner's responsibilities for the stewardship of their financial affairs.

The Responsibilities of the PCC

The PCC is required to:

- Make arrangements for the proper administration of the financial affairs for the group and to secure that one of their officers has the responsibility for the administration of those affairs, in line with statute this is the Chief Financial Officer (S151).
- Manage the group affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the statement of accounts.

I approve these Statements of Accounts

Signature Redacted

Gary Godden
PCC for Nottinghamshire
Date: 16/12/2025

The Responsibilities of the Chief Finance Officer

The Section 151 Officer is responsible for the preparation of the Group Accounts. The statements are required by the CIPFA Code of Practice on Local Government accounting, to present fairly the financial position of the Group at the accounting date and the income and expenditure for the year then ended.

In preparing the Statement of Accounts the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently except where policy changes have been noted in these accounts.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.
- Kept up to date with professional development.

The Section 151 Officer has also:

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

I certify that the Statements of Accounts present a true and fair view of the financial position of Police and Crime Commissioner for Nottinghamshire (and Group) as at 31 March 2025 and its income and expenditure for the year then ended.

Signature Redacted

Efe Eruero MBA FCCA
Deputy Chief Finance Officer
Date: 12/12/2025

Introduction

Police and Crime Commissioners (PCCs) are elected by the public to be the voice of the people and hold the Chief Constable (CC) to account. They are responsible for the totality of policing in their area. The PCC and CC is each a separate corporation sole.

PCCs are designated as local authorities for accounting purposes and are therefore required to review at least annually their arrangements for governance, risk and internal control - those that are in place for the Office of the Police and Crime Commissioner (OPCC) and the effectiveness of joint governance arrangements between the PCC and CC.

In Nottinghamshire, for 2024/25, the PCC and CC worked to a Joint Code of Corporate Governance and working together document¹ (JCCG) which determined how they and their respective organisations would do business together, including arrangements for Financial Regulations and Contract Standing Orders². The JCCG reflects the principles of the CIPFA/SoLACE Delivering Good Governance in Local Government Framework which requires local authorities to put proper governance arrangements in place which facilitate the effective exercise of functions and ensure that the responsibilities are being met. This includes responsibilities for ensuring that:

- Their business is conducted in accordance with all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources have been used economically, efficiently and effectively to achieve agreed priorities which benefit local people

Figure 1 illustrates the 'core principles' underpinning the CIPFA/SOLACE Framework and how the various principles for good governance relate to each other. Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic and authorities should aspire for continual improvement through a process of evaluation and review.

The JCCG requires a clear system of internal control which is designed to manage and reduce risk to a reasonable level. The system of internal control is a continuous process which helps us to identify and prioritise risks to the achievement of the PCC's policies, aims and objectives, evaluate the likelihood and impact of those risks being realised, and manage them economically, efficiently and effectively.

The development and publication of our Annual Governance Statement helps us to take stock of the effectiveness of these controls while also providing assurance that our strategic objectives have led to the delivery of strong, effective services which provide value for money.

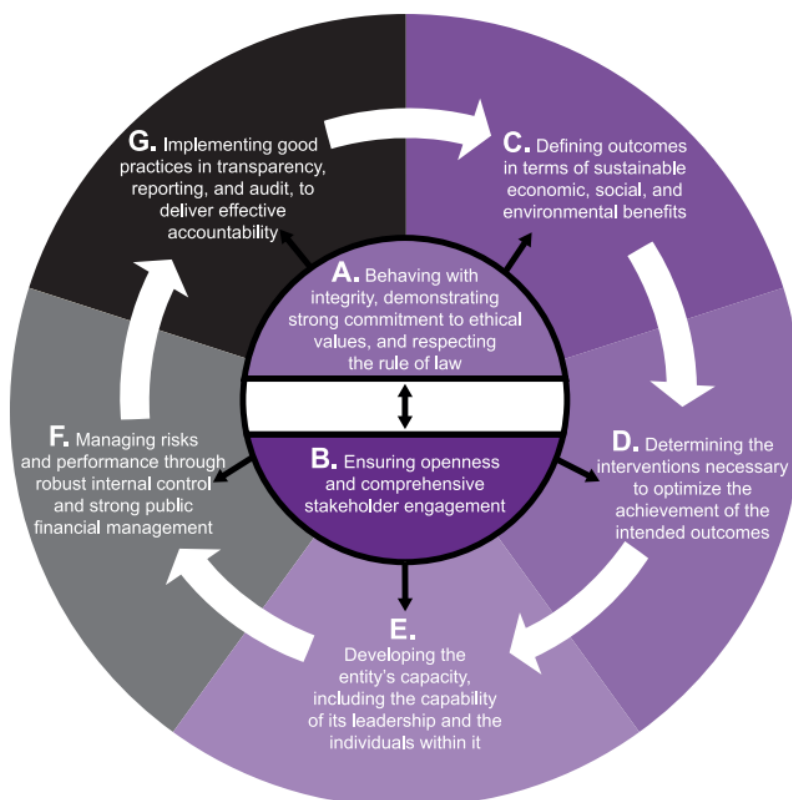
¹ Joint Code of Corporate Governance and Working Together (Part A), May 2000 is available on our website <https://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Policies-and-Procedures/06.05.2020-Joint-Code-of-Corporate-Governance-and-Working-Together-1.pdf>

² Joint Code of Corporate Governance Part B – Financial Regulations, July 2022 is available on our website <https://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Policies-and-Procedures/Joint-regs-Contract-standing-orders-1.pdf>

After a review of the JCCG, it was identified that the scheme of governance (called the 'Working Together' document) had not been reviewed since before 2018 (except for the Financial Regulations and Contract Standing Orders which were reviewed in 2022 and 2023, respectively with the CSOs having a further review in 2025 for the Procurement Act changes). The Chief Executive and Monitoring Officer (CEMO) led a review of the suite of documents in line with a national template that had been developed by the Association of Policing and Crime Chief Executives (APACCE); national work the CEMO had contributed to. The outcome of the review proposed changes and creation of a Joint Corporate Governance Framework (JCGF) as reported to the Joint Independent Audit Committee (JIAC) in the summer of 2024.

The OPCC and Nottinghamshire Police have been working through the long list of actions, discussion points and creation of the JCGF. The new JCGF is expected to be approved by the PCC and CC by the end of May 2025 and presented to JIAC in July 2025.

Fig 1. International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)



The annual review of the effectiveness of the PCC's arrangements for governance, risk and internal control has been informed by the PCC's Governance Framework as shown in Appendix A. This takes account of:

- the work of Internal Audit, including the annual report and opinion of the Head of Internal Audit.
- comments received from external auditors who are expected to provide an opinion on financial statements and value for money.
- the Joint Independent Audit Committee (JIAC) which meets at least 4 times per year and provides advice on matters relating to the adequacy and effectiveness of the financial and other controls, corporate governance, financial and contract regulations and risk management arrangements operated by both the PCC and CC and other assurance panel activity.

- other panels, groups and boards which meet on a regular basis, including the PCC's Accountability Board³ as the formal meeting where the PCC holds the CC to account on a wide range of areas including performance and use of resources.
- the PCC's monthly Planning and Efficiency Group (PEG) was introduced in the summer of 2024 as part of a structured approach to the PCC holding the CC to account for the efficient and effective use of resources and to ensuring joint strategic and financial planning between the PCC/OPCC and CC/Force.
- the work of senior managers within the OPCC and CC, principally the OPCC's two statutory officers – the Chief Executive and Monitoring Officer (CEMO) and Chief Financial Officer (CFO).

Assurance on the effectiveness of the PCC's regulatory framework has been provided by the CEMO who has a legal duty to ensure the lawfulness and fairness of decision-making. Specialist legal advice is available to the Monitoring Officer as and when required.

Assurance on the effectiveness of the PCC's financial controls has been provided by the CFO who is designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision-making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of CIPFA's 'Statement on the Role of the CFO of the Police and Crime Commissioner and the CFO of the Chief Constable' (2014).

The PCC's risk management arrangements are well developed and embedded. The JIAC monitors the OPCC corporate risk register on a quarterly basis and reviews the risk management strategy on an annual basis. The OPCC's Senior Leadership Team (SLT) considers and reviews risks on a monthly basis, as part of its business work programming. SLT works to identify and mitigate strategic risks, examine the progress made, and make recommendations to discharge issues where appropriate.

Oversight of regional force-to-force collaborations is undertaken at Regional PCC and CC meetings; regional CEMOs and CFOs also meet with their counterparts separately.

The Police and Crime Panel (PCP) in Nottinghamshire exists to scrutinise, review and support the PCC in the effective exercise of their functions. In Nottinghamshire, the PCC and their senior staff have attended every meeting of the Police and Crime Panel. During 2024/25, the CC and some of their chief officers also attended some of the meetings to provide additional information, where the PCC felt this was appropriate and would add additional value to the work of the PCP.

The PCC's Annual Report for 2024/25 will be reviewed by the Police and Crime Panel in September 2025. The Annual Report demonstrates how the PCC, carried out their legal duties, sets out what has been achieved over the year and reports on the progress that has been made in meeting the objectives set out in the he Police and Crime Plan. The Annual Report is available on our website: <https://www.nottinghamshire.pcc.police.uk/Public-Information/Annual-Report.aspx>

³ The Accountability Board is convened 6 times per year. This is supplemented by weekly meetings with the Chief Constable in between the formal Accountability Boards and monthly PEG meetings. More information is available on our website <https://www.nottinghamshire.pcc.police.uk/what-we-do-for-you/holding-the-police-to-account/accountability-board>

Review of Effectiveness

The review of the effectiveness of the PCC's arrangements for risk, governance and internal control for 2024/25 determines, amongst other things, whether any governance issues and 'significant governance issues' are identified. A 'significant governance issue' is defined for the purposes of the annual review as 'any issue requiring action necessary to avoid exposure to a substantial risk to the achievement of the objectives of the system under review.'

The OPCC has monitored and reviewed the CC's annual review of governance and Annual Governance Statement which has informed and supports this statement.

The JIAC has received and considered independent reports from the Internal Auditors and has monitored the implementation of action plans drawn up to address identified internal control weaknesses throughout the year.

The Head of Internal Audit will provide an annual report for 2024/25 including their opinion on the framework of governance, risk management, and control to the PCC and CC. Any areas requiring improvement will be highlighted. This area of the AGS will be updated when the report is received.

The results of the OPCC's annual governance review in 2024 for financial year 2023/24 identified two significant governance issues, as detailed below:

1. **Information governance: Ability of the OPCC to demonstrate compliance with key information governance policies.** The OPCC underwent an information governance audit in December 2022, commissioned from Essex County Council IGS which provided an action plan of remedial activity required to mitigate identified weaknesses and risks. Progress in responding to the action plan was affected by the OPCC's capacity constraints during 2023/24, as outlined in significant governance issue 2.

Update: A working group was convened in May 2024 following the arrival of the CEMO earlier in the year. The working group is being supported by the CEMO in addressing all actions arising from the action plan ahead of an audit revisit planned for later in 2024.

Update 2024/25: A Governance & Compliance Manager was appointed to the OPCC at the end of October 2024 and has led on continuing to address outstanding actions. A follow up audit took place in November 2024 with an outcome of an improving direction of travel, although the assurance was still limited. A final report was issued in December 2024 and a risk-based Information Governance action plan was discussed and issued to the OPCC on 13 January 2025. The action plan contains 41 actions in total, made up of 6 red, 14 orange and 21 yellow. Red actions pose the highest risk to the organisation, orange are medium risks and yellow are low risks. All red actions are either complete or significant progress has been made as of May 2025. Of the other actions, a further 10 are either complete or in progress.

2. **OPCC Capacity and Capability: Ability of the OPCC to effectively support the PCC in the discharge their statutory functions.** The OPCC was without a CEMO present from April 2023 until the end of February 2024, with this role being covered through acting up arrangements with three members of SLT performing aspects of the CEMO role alongside their normal duties. In addition, the OPCC has faced ongoing recruitment and staffing challenges which have led to gaps relating to other key roles within the organisation with responsibilities for governance, risk and internal control. This has presented a risk to the organisation's ability to effectively discharge some core functions.

Update: Work is ongoing to recruit to vacant posts and prioritise workloads accordingly. Temporary staff have been appointed to help alleviate pressure, however employment market factors and long lead times due to vetting and notice periods remains an ongoing issue.

Update 2024/25: Recruitment to key posts including Office Manager, Governance & Compliance Manager, Executive Assistant to the Chief Finance Officer (CFO) and Deputy PCC and a Deputy Chief Finance Officer was successful and most postholders started worked at the OPCC at the end of October 2024. The CEMO also reviewed options to re-align responsibilities across teams in consultation with the SLT.

The OPCC's SLT has conducted an Annual Governance Review of the effectiveness of its systems of governance, risk and control for financial year 2024/25 to ensure that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The outcome of that review is that there are no new significant actions for inclusion in an action plan and the actions identified in the 2023/24 review are no longer considered significant due to the amount of work undertaken as described in the updates.

The review was conducted against the Local Code of Corporate Governance and identified ongoing work that requires completion and other areas for improvement that have been captured in an SLT action plan. These will be monitored and reported to SLT over the next twelve months. SLT are also considering the implications of the Crime and Policing Bill 2025 and will keep this under review to identify any additional areas of risk.

Conclusion

The PCC acknowledges the assurance in place relating to the financial year 2024/25. The PCC has also noted the substantial and positive progress made in addressing the significant governance issues outlined in the AGS for financial year 2023/24.

The ongoing work requiring completion and other areas for improvement will be overseen and monitored by the OPCC's Chief Executive & Monitoring Officer through the OPCC's SLT meeting structures.

SIGNED

Signature Redacted

Gary Godden
The Police and Crime Commissioner for Nottinghamshire

Signature Redacted

Michelle Buttery
Chief Executive & Monitoring Officer, Office of the Police and Crime Commissioner

Appendix A: Nottinghamshire PCC's Governance Framework (Arrangements for governance, risk and internal control)

The Governance Framework introduced by the PCC gives effect to the provisions of the Police Reform and Social Responsibility Act 2011 (PRSRA). This framework was designed so that:

- where statutory powers provide for non-operational decision making that rests with the PCC, the PCC may give consent for certain decisions to be reached by the CC.
- there is clarity on which statutory powers of the PCC have been delegated to the PCC's staff.
- the decision-making structure provides for effective management of resources.
- proportionate control mechanisms are in place in order to secure probity in the use of public resources and value for money.
- the PCC can be assured of the highest standards of openness, transparency, integrity, respect for others and corporate governance in the exercise of functions.
- the PCC is seen to be accountable to the electorate for the delivery of the service.

By law the CC is responsible for operational policing matters, the direction and control of police officers and staff, and for putting in place proper arrangements for the governance, risk and internal control of Nottinghamshire Police. It is however the PCC who is required to hold the CC to account for the exercise of those functions and those of the persons under their direction and control. This is done in a manner that recognises the commitment of the PCC and CC to abide by the working principles of the Policing Protocol as set out in the Schedule to the Policing Protocol Order 2023.

The key elements of the systems and processes that comprise the governance arrangements put in place for the PCC and the CC are measures:

- for identifying and communicating the PCC's vision, purpose and intended outcomes.
- for reviewing the PCC's vision and its implications for governance arrangements.
- for measuring the quality of services for users, for ensuring they are delivered in accordance with the PCC's objectives and for ensuring that they represent the best use of resources.
- for defining and documenting the roles and responsibilities of the PCC/OPCC and CC/Force and the senior officers of each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Chief Constable activity for developing, communicating, and embedding codes of conduct, defining the standards of behaviour for officers and staff.
- for reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedure notes/ manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.
- for undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police.
- for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- for whistle blowing and for receiving and investigating complaints from the public and handling redress.
- for identifying the development needs of senior officers in relation to their strategic roles, supported by appropriate training.
- for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- for incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the PCC's overall governance arrangements.

Annual Governance Review and Annual Governance Statement

The below schematic describes how the PCC's Governance Framework is used to conduct the Annual Governance Review to produce the Annual Governance Statement and a Governance Action Plan to address any significant governance issues identified.

Over-arching Considerations: The statutory framework, legislative requirements, PSIA standards, Good Governance principles, the Joint Code of Corporate Governance, changing political, economic, social, technological, environmental, legal, and organisational environment.

Organisational Control Framework

1. Strategic Leadership & Management and Governance (including decision-making)
2. Strategic & Financial Planning
3. Performance Management
4. Financial and Asset Management, Commissioning and Contract Management
5. Risk Management
6. Employer Responsibilities / People Management
7. Ethical Governance (culture, standards, and conduct management)
8. Information Governance
9. Partnerships and Collaboration Governance
10. Business Continuity / Emergency Resilience

Assurance Mechanisms

- Joint Independent Audit Committee
- Internal Audit Activity and HoIA opinion
- External Audit Opinion
- CEO Assurance re. regulatory framework
- CFO Assurance. Financial controls
- Public and stakeholder engagement
- OPCC Corporate Delivery Plan
- Corporate risk register and issues log
- Delivery / performance management
- Performance Review Process
- Policies & Procedures Review
- Annual Business Continuity Assessment



COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The CIES shows the accounting cost in the year of providing services in accordance with the Code and shows how that cost has been funded by Government Grants & taxpayers income. The reconciliation to the amount received from main grants and taxation is explained by the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Comprehensive Income & Expenditure Statement (CIES) – Group

2023-24			GROUP CIES		2024-25		
Expenditure £'000	Income (Note 2.3) £'000	Net £'000		Note	Expenditure £'000	Income (Note 2.3) £'000	Net £'000
261,946	(33,545)	228,401	Chief Constable		285,087	(28,301)	256,786
14,868	(8,407)	6,461	PCC		16,332	(7,509)	8,823
276,814	(41,952)	234,862	Group Cost of Services		301,419	(35,810)	265,609
1,057	(952)	105	Other Operating (Income) and Expenditure	2.6	1,205	(488)	717
95,278	(3,643)	91,635	Financing and Investment	2.4	97,340	(4,216)	93,125
0	(302,460)	(302,460)	Taxation and Non Specific Grant Income	2.5	0	(327,989)	(327,989)
373,149	(349,006)	24,142	(Surplus) or Deficit on Provision of Services	2.1 & 2.8	399,964	(368,502)	31,462
	(71)		(Surplus) or deficit on revaluation of Property, Plant and Equipment				(4,318)
	(28,735)		Re-measurement of the net defined benefit liability / asset				(230,311)
	(28,806)		Other Comprehensive (Income) and Expenditure				(234,629)
	(4,664)		Total Comprehensive (Income) and Expenditure				(203,167)

Comprehensive Income & Expenditure Statement (CIES) – PCC

2023-24			PCC CIES		2024-25		
Expenditure £'000	Income £'000	Net £'000		Note	Expenditure £'000	Income £'000	Net £'000
285,447	0	285,447	Funding to Chief Constable		319,646	0	319,646
14,868	(8,407)	6,461	Service Cost		16,332	(7,509)	8,823
300,315	(8,407)	291,908	PCC Cost of Services		335,978	(7,509)	328,469
1,057	(952)	105	Other Operating (Income) and Expenditure	2.6	1,205	(488)	717
2,264	(3,643)	(1,379)	Financing and Investment	2.4	1,930	(3,844)	(1,913)
0	(302,460)	(302,460)	Taxation and Non Specific Grant Income	2.5	0	(327,989)	(327,989)
303,635	(315,461)	(11,827)	(Surplus) or Deficit on Provision of Services	2.8	339,113	(339,829)	(716)
	(71)	(71)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(4,318)
	(293)	(293)	Re-measurement of the net defined benefit liability / asset				2,284
	(364)	(364)	Other Comprehensive (Income) and Expenditure				(2,034)
	(12,191)	(12,191)	Total Comprehensive (Income) and Expenditure				(2,750)

MOVEMENT IN RESERVES STATEMENT (MIRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held. Usable Reserves are set aside for future policy purposes or to cover contingencies. The Unusable Reserves manage the movements as a result of accounting adjustments required by the Code, for capital, financial instruments, retirement, and employee benefits.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. Expenditure to be financed from a reserve is charged to the appropriate service and hence included within the 'Provision of Services' in the CIES. The reserve is then appropriated back in the Movement in Reserves Statement to avoid impacting on council tax.

The following pages contain the MIRS.

Movement in Reserves Statement (MIRS) – Group

Group Movement in Reserves 2024/25	General Fund Balance £000	Earmarked General Fund Reserves (Note 3.1) £000	Capital Receipts Reserve (Note 3.2) £000	Capital Grants Unapplied Account (Note 3.2) £000	Total Usable Reserves £000	Unusable Reserves (Note 3.3 & 3.4) £000	Group Total Reserves £000
Balance at 31 March 2024	(9,237)	(32,231)	0	0	(41,468)	2,041,236	1,999,768
Movement in reserves during 2024-25							
(Surplus) or deficit on the provision of services	31,462	0	0	0	31,462	0	31,462
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(234,629)	(234,629)
Total Comprehensive Income and Expenditure	31,462	0	0	0	31,462	(234,629)	(203,167)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(35,610)	0	0	0	(35,610)	35,610	(0)
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(4,148)	0	0	0	(4,148)	(199,019)	(203,168)
Net Transfers to / (from) Earmarked Reserves	3,859	(3,859)	0	0	(0)	0	(0)
(Increase) or Decrease in 2024-25	(289)	(3,859)	0	0	(4,148)	(199,019)	(203,168)
Balance at 31 March 2025	(9,526)	(36,091)	0	0	(45,616)	1,842,216	1,796,600

Movement in Reserves Statement (MIRS) – PCC

PCC Movement in Reserves 2024/25	General Fund Balance £000	Earmarked General Fund Reserves (Note 3.1) £000	Capital Receipts Reserve (Note 3.2) £000	Capital Grants Unapplied Account (Note 3.2) £000	Total Usable Reserves £000	Unusable Reserves (Note 3.3 & 3.4) £000	PCC Total Reserves £000
Balance at 31 March 2024	(9,237)	(32,231)	0	0	(41,468)	(4,959)	(46,427)
Movement in reserves during 2024-25							
(Surplus) or deficit on the provision of services	(716)	0	0	0	(716)	0	(716)
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(2,034)	(2,034)
Total Comprehensive Income and Expenditure	(716)	0	0	0	(716)	(2,034)	(2,750)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(3,432)	0	0	0	(3,432)	3,432	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(4,148)	0	0	0	(4,148)	1,398	(2,750)
Net Transfers to / (from) Earmarked Reserves	3,859	(3,859)	0	0	(0)	0	(0)
(Increase) or Decrease in 2024-25	(289)	(3,859)	0	0	(4,148)	1,398	(2,750)
Balance at 31 March 2025	(9,526)	(36,091)	0	0	(45,616)	(3,561)	(49,177)

Movement in Reserves Statement (MIRS) – Group

Group Movement in Reserves 2023-24	General Fund Balance £000	Earmarked General Fund Reserves (Note 3.1) £000	Capital Receipts Reserve (Note 3.2) £000	Capital Grants Unapplied Account (Note 3.2) £000	Total Usable Reserves £000	Unusable Reserves (Note 3.3 & 3.4) £000	Group Total Reserves £000
Balance at 31 March 2023	(9,014)	(25,395)	0	0	(34,409)	2,038,840	2,004,432
Movement in reserves during 2023-24							
(Surplus) or deficit on the provision of services	24,142	0	0	0	24,142	0	24,142
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(28,806)	(28,806)
Total Comprehensive Income and Expenditure	24,142	0	0	0	24,142	(28,806)	(4,664)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(31,202)	0	0	0	(31,202)	31,202	(0)
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(7,059)	0	0	0	(7,059)	2,396	(4,664)
Net Transfers to / (from) Earmarked Reserves	6,836	(6,836)	0	0	0	0	0
(Increase) or Decrease in 2023-24	(223)	(6,836)	0	0	(7,059)	2,396	(4,664)
Balance at 31 March 2024	(9,237)	(32,231)	0	0	(41,468)	2,041,236	1,999,768

Movement in Reserves Statement (MIRS) – PCC

PCC Movement in Reserves 2023-24	General Fund Balance £000	Earmarked General Fund Reserves (Note 3.1) £000	Capital Receipts Reserve (Note 3.2) £000	Capital Grants Unapplied Account (Note 3.2) £000	Total Usable Reserves £000	Unusable Reserves (Note 3.3 & 3.4) £000	PCC Total Reserves £000
Balance at 31 March 2023	(9,014)	(25,395)	0	0	(34,409)	173	(34,236)
Movement in reserves during 2023-24							
(Surplus) or deficit on the provision of services	(11,827)	0	0	0	(11,827)	0	(11,827)
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(364)	(364)
Total Comprehensive Income and Expenditure	(11,827)	0	0	0	(11,827)	(364)	(12,191)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	4,768	0	0	0	4,768	(4,768)	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(7,059)	0	0	0	(7,059)	(5,132)	(12,191)
Net Transfers to / (from) Earmarked Reserves	6,836	(6,836)	0	0	0	0	0
(Increase) or Decrease in 2023-24	(223)	(6,836)	0	0	(7,059)	(5,132)	(12,191)
Balance at 31 March 2024	(9,237)	(32,231)	0	0	(41,468)	(4,959)	(46,427)

BALANCE SHEET

The Balance Sheet shows the value of assets and liabilities, as at the end of the accounting year. The net assets (assets less liabilities) are matched by the reserves held. Reserves are both usable, which may be used to provide services and unusable, which fulfil specific accounting purposes.

2023-24		PCC & Group Balance Sheet	Note	2024-25	
PCC £000	Group £000			PCC £000	Group £000
59,411	59,411	Property, Plant and Equipment	4.1	64,340	64,340
785	785	Investment Property	4.3	1,190	1,190
265	265	Intangible Assets	4.4	20	20
0	0	Long-Term Debtors		0	0
60,461	60,461	Long Term Assets		65,550	65,550
2,142	0	Defined Benefit Pension Asset	3.3	0	0
0	0	Assets Held for Sale	4.6	0	0
3,484	3,484	Inventories	4.7	2,169	2,169
26,347	26,347	Short-Term Debtors	4.8	28,525	28,525
27,000	27,000	Short-Term Investments	4.9	26,000	26,000
25,856	25,856	Cash and Cash Equivalents	5.1	24,615	24,615
84,829	82,687	Current Assets		81,309	81,309
(4,161)	(4,161)	Short-Term Borrowing	4.12	(1,038)	(1,038)
(30,115)	(33,774)	Short-Term Creditors	4.10	(30,115)	(34,922)
(4,989)	(4,989)	Provisions	4.11	(5,042)	(5,042)
(39,265)	(42,924)	Current Liabilities		(36,195)	(41,002)
(59,079)	(59,079)	Long-Term Borrowing	4.12	(58,041)	(58,041)
0	(2,040,394)	Defined Benefit Pension Liability	3.3	0	(1,840,971)
(517)	(517)	Other Long-Term Liabilities		(3,445)	(3,445)
(59,596)	(2,099,990)	Long Term Liabilities		(61,486)	(1,902,457)
46,429	(1,999,766)	Net Assets/(Liabilities)		49,178	(1,796,600)
(41,470)	(41,470)	Usable Reserves	3.1 & 3.2	(45,618)	(45,618)
(4,959)	2,041,236	Unusable Reserves	3.3	(3,561)	1,842,217
(46,429)	1,999,766	Total Reserves		(49,178)	1,796,600

Signature Redacted

Efe Eruero MBA FCCA
Deputy Chief Finance Officer
Date: 12/12/2025

CASHFLOW STATEMENT

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

2023-24			Cash Flow Statement	Note	2024-25		
PCC	Chief Constable	Group			PCC	Chief Constable	Group
£000	£000	£000			£000	£000	£000
(11,827)	35,969	24,142	Net (surplus) or deficit on the provision of services		(716)	32,178	31,462
(7,493)	(35,969)	(43,462)	Adjustment to (surplus) or deficit on the provision of services for noncash movements	5.2	(5,857)	(32,178)	(38,035)
1,124	0	1,124	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing or financing activities	5.2	635	0	635
(18,195)	0	(18,195)	Net cash flows from operating activities		(5,938)	0	(5,938)
2,170	0	2,170	Net cash flows from investing activities	5.3	3,018	0	3,018
11,033	0	11,033	Net cash flows from financing activities	5.3	4,161	0	4,161
(4,993)	0	(4,993)	Net (increase) or decrease in cash and cash equivalents		1,241	0	1,241
20,863	0	20,863	Cash and cash equivalents at the beginning of the reporting period		25,856	0	25,856
25,856	0	25,856	Cash and cash equivalents at the end of the reporting period	5.1	24,615	0	24,615

The notes below provide additional explanation or support for the information contained within the main financial statements for the PCC and Group (Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement).

1. ACCOUNTING POLICIES, JUDGEMENTS AND MAJOR ACCOUNTING EVENTS

1.1 ACCOUNTING POLICIES

1.1.1 GENERAL PRINCIPLES

The Statement of Accounts summarises transactions for the 2024/25 financial year and its position as at 31 March 2025. Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2015, in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

The Accounts have been prepared on a going concern basis using the historic cost convention, modified by the revaluation of certain categories of non-current assets and financial instruments. Under The Act 2011 the PCC and Chief Constable are separate 'corporation sole' bodies. Both are required to prepare a separate Statement of Accounts. The Financial Statements included here represent the PCC and the PCC as a group with the Chief Constable (The Group). The figures in these accounts are rounded appropriately and this may cause apparent minor arithmetical errors.

The basis of cost allocation between The PCC and Chief Constable is outlined in Note 8.1.

1.1.2 ACCRUALS OF INCOME AND EXPENDITURE

The CIES shows the accounting cost in the year of providing services in accordance with the Code, on an accruals basis rather than a cash basis. Revenue income and expenditure is measured at fair value in the year to which it relates, and not when cash payments are made or received. Interest both receivable and payable is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than by the contractual cash flows.

Supplies not consumed within the year are carried on the Balance Sheet as Inventory. If required a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts are doubtful, the debt is written off by a charge to the CIES.

1.1.3 CASH AND CASH EQUIVALENTS

Cash includes cash in hand and deposits of up to 24 hours' notice. Cash equivalents are investments that mature up to three months from acquisition date. These are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand. Any bank accounts which are used for covert police operations are excluded from the cash and cash equivalent figures as any balances are de-minimis, with transfers to these accounts being expensed to the provision of services.

1.1.4 PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

Prior Period Adjustments and Changes in Accounting Policies

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 in the current year 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

financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative figures for the prior period as if the new policy had always been applied. Material errors discovered in prior year figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.1.5 CHARGES TO REVENUE FOR NON-CURRENT ASSETS

There are charges to the CIES for capital to record the true cost of holding non-current assets during the year as follows:

- Depreciation of Non-Current Assets.
- Revaluation and Impairment losses on assets used where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Revaluation Gains reversing previous losses charged to the CIES.
- Amortisation of Intangible Assets.

The Group is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution, from revenue towards the reduction in its overall borrowing requirement in accordance with statutory guidance, the Minimum Revenue Provision (MRP). The MRP is chargeable to the council taxpayer and is the way that purchasing capital assets is made - approximately over the useful life of the asset, additional voluntary contributions may also be made where considered appropriate and affordable.

Although the Chief Constable does not directly hold any non-current assets, a charge for depreciation is included as a proxy for using those assets.

1.1.6 EMPLOYEE BENEFITS

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. This includes wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (where applicable). An accrual is made for the estimated cost of holiday entitlements or any form of leave (e.g., time off in lieu earned by employees) but not taken before the year-end, which employees can carry forward into the next financial year (Accumulated Absences Account).

The accrual is made at the estimated salary rates applicable for the following accounting year, being when the employee takes the benefit. The accrual is charged to the CIES but then reversed out through the Movement in Reserves Statement.

Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment prior to normal retirement date or an acceptance of a voluntary redundancy.

These are charged to the CIES at the time when the decision is demonstrably committed to. If not actually paid, then it is included by use of a provision.

Post-employment benefits

Employees are members of two separate defined benefits pension schemes providing retirement lump sums and pensions, earned whilst employed by the Group. The Pension Reserve absorbs the timing differences between the difference in accounting and funding for post-employment benefits in accordance with statutory provisions. The debit balance on the Pension Reserve represents a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements ensure that funding will meet payments. Actuarial gains and losses are charged to the Pension Reserve.

The CIES recognises the benefits earned by employees accruing service in accordance with IAS19, but the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. This ensures that there is no effect on the amounts to be met from government grant and local taxpayers.

The liabilities are adjusted for inflation, valuation assumptions and investment returns.

The Group makes contributions towards the pension schemes and contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations.

The Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) for staff is administered by Nottinghamshire County Council. Nottinghamshire Pension Fund is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme, and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore, assets and liabilities are incorporated within these accounts on an apportioned basis. The assets are included at fair value. The liabilities are included at current prices using the appropriate discount rate. The discount rate is the annualised yield at the 30-year point on the Merrill Lynch AA-rated corporate bond yield curve which meets the requirements of IAS19.

The actuarial valuation of the staff LGPS fund was carried out as at 31 March 2022 and set contributions for the period from 1 April 2024 to 31 March 2025. This scheme includes both staff working for the Chief Constable entity and the PCC. This year, we have obtained separate actuary reports for the two entities.

The figures for the LGPS are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2022 for all members. The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

Liabilities have been assessed on an actual basis using the projected unit credit method, an estimate of future pension payments. This depends on assumptions about mortality rates, salary levels etc.

In June 2023 the High Court found in the Virgin Media vs NTL Pension Trustees case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pensions Schemes Act 1993, and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The ruling applies to the Police Pension Scheme and the LGPS. HM Treasury are currently assessing the implications for all public service pension schemes. It may take some time for the practical consequences of the appeal court ruling to be known. At this point in time there remains insufficient information to assess the potential impact, and therefore no liability in respect of the ruling is recognised in these accounts.

The Police Pension Scheme

The Police Pension Scheme for police officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, the Group must transfer amounts to reduce the balance on the pension fund to zero.

This is reimbursed from Central Government by way of Pension Top-up grant of up to 100%, subject to parliamentary scrutiny and approval. More details are included in the Pension Fund Statement. If however, the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the PCC who then must repay the amount to central government. This means that the true liability relating to police pensions rests with the Home Office. The element relating to The Group's assets and liabilities is included within these accounts. Since 1 April 2015 pensions have been based on a career average value.

Employees and employers contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to quadrennial revaluation by the Government Actuary's Department. The figures for 2024/25 are based on a detailed valuation of the most recent data provided (as at 31 March 2020), together with

cash flow information for the year ending 31st March 2025. In particular the actuary has allowed for service accrued between 1 April 2024 and 31 March 2025 and known pension and salary increases that would have applied.

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Discretionary Benefits

The Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements due to medical reasons or injury. 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. Assets are not built up within the scheme to meet these pension liabilities.

1.1.7 EVENTS AFTER THE REPORTING PERIOD

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 on which the Statement of Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

In April 2025, Chief Constable Meynell commenced a period of sickness absence. Deputy Chief Constable Steven Cooper has been performing the duties of chief constable since then. In September 2025, CC Meynell notified the PCC of her intention to retire on 17 March 2026. The PCC therefore commenced a chief constable appointment process, which resulted in Acting Chief Constable Steven Cooper becoming the PCC's preferred candidate after a two-day assessment process on 11 and 12 December 2025. The appointment, to take effect on 18 March 2026, is subject to satisfactory pre-employment and vetting checks and a confirmation hearing before the Police and Crime Panel, planned for early 2026. This is a non-adjusting event.

1.1.8 FINANCIAL INSTRUMENTS

Financial instruments are recognised on the Balance Sheet when the PCC enters a contract. They are initially measured at fair value and carried at their amortised value, the charge to the CIES is the amount payable per the loan agreement. Financial assets held by the Group comprise loans and receivables. These have determinable payments but are not quoted in an active market. The financial liabilities of the Group consist of short-term cost. This generally will equate to the principal outstanding plus accrued interest. Impairment may be appropriate if it becomes likely that the contract may not be fulfilled.

Risks arising from financial instruments

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

- Credit risk – the possibility that the amounts due may not be received.
- Liquidity risk – the possibility that insufficient funds are available to meet expenditure commitments.
- Market risk – the possibility that loss arises as a result of changes to interest rates and stock market movements.

The Treasury Management Strategy (incorporating the Annual Investment Strategy) focuses on mitigating the risk of the unpredictability of financial markets, it includes policies on the risks above.

Credit Risk

Credit risk arises from investments and customer debt. The risk is minimised through the Annual Investment Strategy. This requires that deposits are only made with financial institutions meeting identified minimum credit criteria, as laid down by market leading rating services.

Maximum investment limits and durations are also specified to reduce credit risk. The maximum exposure to credit risk for deposits during the year was £103.6m. This was placed within the criteria of the strategy with high quality counterparties. There was no evidence at year end of potential counterparty default.

Liquidity Risk

Cash flow management ensures that cash is available as needed. For unexpected events, there is ready access to borrowings from the money markets and the PWLB. There is no significant risk of being unable to raise the required finance. If a significant proportion of borrowing needed replacing at a time of unfavourable interest rates, this could be costly. The Treasury Management Strategy limits the proportion of borrowing maturity in specific periods to minimise the risk. All trade and other payables are due within one year.

The table below shows the maturity spread of debt.

Liquidity Risk	2023-24 £000	2024-25 £000
Less than one year	4,161	1,038
Between one and two years	1,038	3,538
Between two and five years	5,551	3,051
More than 5 Years	7,499	12,371
More than 10 Years	44,991	39,081
	63,240	59,079

Interest Rate Risk

There is a risk from exposure to interest rate movements on borrowings and investments. Borrowings are not carried out at fair value, so nominal gains and losses on fixed rate borrowings do not impact on the CIES. A rise in interest rates would have the following effects:

- Borrowing at variable rates - the interest charged to the CIES will rise
- Borrowings at fixed rates - the fair value of the liabilities will fall
- Investments at variable rates - the interest credited to the CIES will rise
- Investments at fixed rates - the fair value of the assets will fall

The Treasury Management Strategy sets a maximum of 50% of debt to be variable rate loans to mitigate this. Only £3.5m is held as variable which is 6%. There was no temporary borrowing at 31 March 2025.

Price Risk

Investments are not held as equity shares, and therefore there is no exposure to losses arising from movements in the prices of the shares.

Foreign Exchange Risk

Investments are not held in foreign currencies and therefore there is no exposure to loss arising from movements in exchange rates.

Fair value measurements of financial instruments

Financial liabilities and financial assets represented by loans and receivables, and long-term debtors and creditors 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:

- Interest rates paid during 2024/25 ranged between 1.85% and 4.22% for PWLB loans and at 2.08% on one market loan. The average interest rates for investments were 5.54%. No early repayment or impairment is recognised.
- For instruments maturing in the next year, the carrying amount is assumed to be fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of the loans is £41.27m which is £16.76m lower than the carrying amount because there are a number of fixed rate loans with the PWLB with an interest rate payable lower than the prevailing rates at the Balance Sheet date.

This shows a notional future gain as there is a commitment to pay the PWLB at a rate below current market rates. The fair value of assets is the year end carrying value, being either variable rate instruments or short term.

No new long-term borrowing took place in 2024/25.

The fair value of PFI liabilities has not been assessed given the liability value is less than £2m and there is not long left until maturity, therefore there is a very low risk of a material difference between the fair value and current value.

1.1.9 INCOME

Revenue government grants, third party contributions and donations are recognised as income when the conditions of entitlement are satisfied. Grants and contributions with unsatisfied conditions are creditors on the Balance Sheet. As conditions are satisfied, it is credited to the CIES. Unconditional monies are carried as an earmarked reserve on the Balance Sheet until used.

A de minimis level of £0.050m exists whereby it is essential that income is assessed whether it should form part of the Earmarked Reserves. Capital grants are credited to the CIES, and then reversed out of the General Fund Balance in the Movement in Reserves Statement. The grant is either used to finance capital expenditure or credited to the Capital Grants Unapplied Account.

1.1.10 INTANGIBLE ASSETS

Intangible assets do not have physical substance, but it is expected that future economic benefits or service potential will occur. Software licences are intangible assets and are included at historic cost amortised over seven years, as there is no alternate method to ascertain a fair value.

Amortisation is a revenue expense.

1.1.11 INVENTORIES

Inventories are valued at cost rather than the lower of cost or net realisable value as stated within IAS 2, however net realisable value for many items such as uniform would be negligible & would significantly understate the value of the assets to the Group.

1.1.12 INVESTMENT PROPERTY

Investment properties are used to earn rentals or for capital appreciation, and not used in any way to deliver services or are being held for sale. The carrying value is annually revalued under IFRS 13 to fair value. This is currently £1.190m (£0.785m 2023/24). Rentals received in relation to investment properties are credited to the CIES.

Income is received on investment properties (telecoms masts) from Batchellor Monkhouse, who also manage the maintenance and repair of the telecoms masts. Aerial rental income of £201k was received in 2024/25 (£22k 2023/24).

1.1.13 JOINT OPERATIONS

Joint operations (JOs) are treated in accordance with IFRS 11 - Interests in Joint Arrangements. They are governed by legally binding Section 22 Agreements and incorporated into the accounts on agreed proportions. The Group participates in 5 collaborative arrangements with other PCCs covered by formal legal documents. The police officers involved are seconded from the individual forces and costs are borne in agreed proportions. These agreements meet the definition of JOs in that decisions on relevant activities require the unanimous consent of the parties sharing control. The relevant proportions of these assets are incorporated throughout these Accounts.

1.1.14 LEASES

IFRS 16 Leases

There has been one change in Accounting Policy as a result of the statutory implementation of IFRS 16 Leases as of 1st April 2024, which replaces IAS 17. This change is in accordance with transitional provisions in the CIPFA Code of Practice.

IFRS 16 requires lessees to recognise right-of-use assets and a corresponding lease liability on the balance sheet for all leases except those which are exempt either due to the lease term being less than 12 months, or the underlying asset is of low value. The PCC CFO and CC CFO have agreed this de-minimis value will be set at £20,000 in line with the capital de-minimis limit. Exempt lease payments are simply recognised as an expense over the lease term.

Significant judgements have been made in relation to:

- Whether the lease definition has been met or not
- Application of exemptions
- The discount rates used to establish the lease liability. To determine our incremental borrowing rate we have used the corresponding PWLB rate at that date, or as at 2nd April 2024 (as this was the closest available to the date of implementation), for a similar length as the lease term. The weighted average incremental borrowing rate is 5.26%
- Lease term where there are options to roll forward the lease, where applicable it has been assumed that the lease will continue to roll forward for the next 5 years
- Values for peppercorn leases. These have been established through our valuer Lambert Smith Hamptons.

IFRS 16 has been applied retrospectively with the cumulative effect of initially applying IFRS 16 at the date of initial application, 1st April 2024. Comparative information has not been restated, but instead been recognised as an adjustment to the opening balance of reserves at 1st April 2024. Consequently, this has resulted in an addition of £7.46m to PPE – Land and Buildings, £1.87m of which is an increase to the Capital Adjustment Account in relation to peppercorn leases as these are accounted for as a donated asset. There is also a corresponding lease liability of £(1.2)m current liabilities and £(4.39)m non-current liabilities on the balance sheet in relation to leases that are not peppercorn. Variances between 2023/24 closing lease liability disclosures and IFRS 16 initial recognition values are due to differences in the accounting standards IAS 17 and IFRS 16.

The Group as lessee

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The group initially recognises lease liabilities measured at the present value of lease payments that are due over the lease term, discounted by applying the incremental borrowing rate as the interest rate implicit in the lease could not be determined. The incremental borrowing rate is the rate that the group would have to pay for a loan to acquire an asset of similar value. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the group is reasonably certain to exercise
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the group is reasonably certain not to terminate early.

Non-lease components such as service costs are excluded from the lease liability and are simply expensed instead. Future increases/decreases in rent payments linked to an index or rate are excluded from the lease liability until the change is known, as approximately 62% of leases have annual or 5-yearly reviews it was deemed too volatile to reliably predict the rent increases.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at existing use value with the difference accounted for as if it were a donated asset, with a credit to the CIES within Taxation and Non-specific Grant Income and Expenditure.

The right-of-use asset is depreciated on a straight-line basis over the shorter period of the remaining lease term and useful life of the underlying asset as at the date of adoption.

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest and straight-line depreciation. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Group as lessor

The Group has one arrangement where it acts as the lessor, this is a small sublet of a parking area and has been accounted for as an operating lease as the risks and rewards of leasing the property remain with the Group. We have recognised the right-of-use asset and lease liability on the balance sheet as a lessee and recognise associated depreciation and interest expenses in the CIES. The total income of £30,455 from the sub-lease has been recognised in the CIES.

The Group does not have any sale and leaseback assets.

1.1.15 PROPERTY, PLANT AND EQUIPMENT

Assets with physical substance which are held for operational or administrative purposes with an expected life of over a year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that the cost of the item can be measured reliably and it is probable it can generate future

economic benefits or service potential. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred, to the CIES.

Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions but does not result in the creation of tangible assets.

De-minimis levels are applied to allow sensible administration arrangements without materially affecting the figures presented. The de-minimis levels applied for all property, plant, and equipment (including leases) is £0.020m.

Component Accounting

Components with appropriate depreciation are included where this is significant as determined by the following test: Only assets with a carrying value above £0.600m are considered and then components are included if the item forms at least 5% of the asset value.

Measurement

Assets are initially measured at cost, comprising the purchase price plus costs in bringing the asset to the location and to be fit for purpose. The value of assets acquired other than by purchase is deemed to be its current value.

Assets are then carried in the Balance Sheet using the following measurement bases in accordance with IAS 16:

- Current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV) Operational buildings have been valued on this basis.
- If there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Bridewell custody suite is valued on this basis.
- For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. Vehicles, equipment and furniture is on this basis.
- Assets held for sale have been valued immediately before reclassification and carried at the lower of this amount and fair value less selling costs.
- Investment properties have been annually revalued under IFRS 13 to fair value.
- Assets under construction are included at historic cost.

These standards are incorporated into the RICS 'Red book' valuation standards.

Increases in valuations have been matched by credits to the Revaluation Reserve since 1 April 2007, the date of its formal implementation. Gains prior to that date are consolidated into the Capital Adjustment Account. Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the CIES once the Revaluation Reserve is fully utilised.

Impairment

Assets are assessed annually for potential impairment. When material, an impairment loss is recognised for the deficit, as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the CIES.
- Where an impairment loss is reversed subsequently by a revaluation gain, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is charged on all operational non-current assets by the systematic allocation of their depreciable amounts, over their useful lives, after allowing for residual values.

Asset Type	Depreciation Method	Period of Years
Land	Nil	Nil as unlikely to reduce in value
Property	Straight Line	10-50 years as estimated by the valuer
Vehicles	Straight Line	1-20 years
Plant & Equipment	Straight Line	1-20 years
Finance Leases	Straight Line	Over the life of the finance lease

A full year's charge is made in the year of acquisition, with no charge made in the year of disposal. Depreciation is charged to the CIES. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and depreciation that would have been chargeable based on their historical cost. This is transferred each year from the Revaluation Reserve to the Capital Adjustment Account. Where an item of property, plant and equipment has major components whose cost and life span is significantly different from the rest, the components are depreciated separately (subject to meeting de minimis levels).

Assets held for Sale

When a non-current asset is actively marketed and reasonably expected to be sold in the next 12 months it is reclassified as an Asset Held for Sale and is held as a current asset.

The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to current value less costs to sell, the loss is posted to the 'Other Operating Expenditure' line in the CIES. Gains in carrying value are recognised only up to the amount of any previous losses recognised in the 'Surplus or Deficit on Provision of Services'.

If assets no longer meet the criteria of Assets Held for Sale, they are reclassified back to non-current assets and re-valued appropriately.

Disposal

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve for application to future capital investment. Revaluation Reserve balances relating to disposed assets are transferred to the Capital Adjustment Account.

1.1.16 PRIVATE FINANCE INITIATIVES (PFI)

Private Finance Initiative Agreements (PFI) is a way to receive assets, whereby the responsibility for asset availability is with the PFI contractor.

Miven provides and maintains the Riverside building on a 25 year contract until 2026/27, at which point the PCC has the option to purchase. The capital value of this scheme is £1.317m. £1.045m was paid in 2024/25 (£1.045m in 2023/24).

Future payments are linked to the retail price index but are otherwise fixed, except reductions for poor contractor performance. Specific government grant of £0.588m was received (£0.588m in 2023/24).

The annual amounts payable for the buildings comprise:

- Fair value of the services received during the year – debited to the relevant service in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, has been debited to the Financing and Investment Income and Expenditure line in the CIES for the PFI buildings.
- The repayment of the capital liability on the balance sheet.

- Contingent rent – increases in the amount to be paid for the properties arising during the contracts, debited to the ‘Financing and Investment Income and Expenditure’ line in the CIES.
- Lifecycle replacement costs – whereby a proportion of the amounts payable is carried as an earmarked reserve. This may be a negative balance in some years but by the end of the agreement the balance will be zero and the revenue charges are equalised.

1.1.17 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions

Provisions are made where an event has taken place that gives a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and also that a reliable estimate can be made of the amount of the obligation. This is charged to the CIES on becoming aware of the obligation. They are measured as the best estimate at the balance sheet date, taking into account relevant risks and uncertainties.

Settlement of the obligation is charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed and further transactions to or from the CIES are made appropriately. Liability claims are generally paid out within one to three years. It is expected that the majority will be utilised within a year and hence the provision is all short term.

Contingent Assets

Contingent assets arise where an event has taken place that gives the potential for an asset, whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly in the control of the Group. They are not recognised in the Balance Sheet. The Group had no contingent assets as at 31 March 2025.

Contingent Liabilities

A contingent liability arises where a past event gives a possible obligation which depends on the outcome of uncertain future events not wholly in the control of the Group.

Contingent liabilities also arise in circumstances where a provision or reserve would otherwise be made, but there is not the level of certainty on either likelihood or value. Contingent liabilities are not recognised in the Balance Sheet but are disclosed as notes to the accounts. The Group had no contingent liabilities as at 31 March 2025.

1.1.18 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty’s Revenue and Customs. VAT receivable is excluded from income.

1.1.19 EXCEPTIONAL ITEMS

When items of income and expenditure are material, their nature and amount are disclosed separately, either on the face of the CIES or in the Notes to the Accounts, depending on how significant the items are to an understanding of the Group financial performance.

1.2 JUDGEMENTS AND MAJOR ACCOUNTING EVENTS

1.2.1 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies, certain judgements about complex transactions or those involving uncertainty about future events have been made.

- The relationship between the PCC and the Chief Constable has been assessed in order to apply the group accounting requirements. The PCC retains control of all assets and therefore the value of these are shown on the PCC Balance Sheet, whilst the Chief Constable has been judged to have operational control over Officers, PCSO's and the majority of Police Staff (excluding staff directly employed by the PCC). Therefore, the income and expenditure for these employees is shown on the CIES for the Chief Constable.
- The PCC and CC CFO's have considered arrangements for the use of assets owned by the PCC and used by the CC, and have concluded that there is no contractual arrangement between the two entities and as such there are no enforceable rights and obligations between the two parties. Therefore, from the perspective of IFRS16 no lease arrangements exist.
- The Chief Constable is associated with multiple collaborations with other regional forces. These arrangements have been judged to be Joint Operations due to the nature of the joint management structure of these entities. The Group's share of transactions and balances have been consolidated into this set of statements in accordance with the CIPFA Code of Practice. More information on these arrangements have been disclosed on page 87.

1.2.2 MATERIAL ITEMS OF INCOME AND EXPENSE

There has been one change in accounting policy as required by the Code, more detail on this is available in section 1.14 Leases above. The accounts are produced on a "true economic cost basis" which differs from the cost required to be met from taxpayers. The accounting for pensions which recognises benefits accrued by current employees has a significant impact on the surplus/deficit for the year and on the value of the Balance Sheet. These transactions are based on actuarial valuations as opposed to the transactions which have taken place in the year.

1.2.3 GOING CONCERN

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Chief Constable will continue in operational existence for the foreseeable future. The provisions in the Code (Code Of Practice On Local Authority Accounting In The United Kingdom 2024/25) in respect of going concern reporting requirements reflect the economic and statutory environment in which Police and Crime Commissioners and police forces operate.

These provisions confirm that, as Police and Crime Commissioners and police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and Police and Crime Commissioners are revenue-raising bodies (with limits on revenue raising powers arising only at the discretion of central government). If a Police and Crime Commissioner was in financial difficulty, the prospects are thus that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner will continue to operate for the foreseeable future.

Cashflow and Liquidity Risk Exposure:

The Group's treasury function ensures that cash flow is adequately planned, and liquidity risk exposure is controlled in accordance with the relevant professional codes.

Cash and equivalents at the balance sheet date were £24.6m and are held by the PCC as detailed in Note 5.1. These have remained positive during 2024/25 and are estimated to remain positive throughout 2025/26.

Cashflow is monitored on a daily basis and should short term cash be required to meet unforeseen bills this could be borrowed from other local authorities.

The Cashflow forecast and the Treasury Management Strategy also incorporate the capital borrowing requirements and demonstrate how the Group will be able to raise funds to meet its commitments.

1.2.4 ACCOUNTING STANDARDS ISSUED BUT NOT ADOPTED

For 2024/25 new standards that have been issued but not adopted relate to:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (lack of Exchangeability) issued in August 2023
- IFRS 17 Insurance Contracts issued in May 2017

The impact on the financial statements of the PCC and Group is either not applicable or not considered to be material.

1.2.5 PRIOR PERIOD ADJUSTMENTS

No prior period adjustments have been made.

1.3 FUTURE ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

There is one item where there is a significant risk of material adjustment in the forthcoming financial year as follows:

Pensions Liability

The estimation of the net liability to pay pensions depends on a number of judgements relating to the discount rate used, projected salary rate increases, retirement age changes, mortality rate and expected returns on pension fund assets. The rates and assumptions used in calculating this are based on the professional judgement of the Actuaries who provide expert advice regarding this. The overall net liability across Officer and Staff Pension Schemes at March 2025 is £1,841m. For details of the impact of a change in the discount rate, please see Pension Fund Accounts and Explanatory notes on page 90. Additionally, the full impact of the McCloud/Sargeant judgement on both the police officer and police staff pension schemes is still unknown.

2. NOTES TO COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

The Service analysis in the CIES is based on reporting to management and as such follows the two services being funding to the Chief Constable for policing and the Office of the Police and Crime Commissioner.

Whilst all the expenditure is paid for by the PCC including employee pay, the recognition in the accounts is based on economic benefit of resources consumed.

EXPENDITURE

2.1 EXPENDITURE AND FUNDING ANALYSIS

This note demonstrates the link between the accounting figures included in the CIES and the amounts raised by grant and taxation used in the management accounting decision making.

2023-24					Commissioner & Group Expenditure and Funding Analysis	2024-25				
As Reported to Management	Adjustments to Arrive At Chargeable to General Fund	Net Expenditure Chargeable to the General Fund	Adjustments (Note 2.2)	Net Expenditure in the CIES		As Reported to Management	Adjustments to Arrive At Chargeable to General Fund	Net Expenditure Chargeable to the General Fund	Adjustments (Note 2.2)	Net Expenditure in the CIES
£000	£000	£000	£000	£000		£000	£000	£000	£000	£000
244,525	40,922	285,447	(57,046)	228,401	Chief Constable (CC)	278,437	41,209	319,646	(62,860)	256,786
5,745	721	6,466	(5)	6,461	Police and Crime Commissioner (PCC)	5,672	3,180	8,852	(29)	8,823
250,270	41,643	291,913	(57,051)	234,862	Net Cost of Services	284,109	44,389	328,498	(62,889)	265,609
					Other (Income) and Expenditure					
0	0	0	93,014	93,014	Chief Constable (CC)	0	0	0	95,038	95,038
(260,807)	(38,166)	(298,973)	(4,761)	(303,734)	Police and Crime Commissioner (PCC)	(288,428)	(44,218)	(332,646)	3,461	(329,185)
(10,537)	3,477	(7,060)	31,202	24,142	(Surplus) or Deficit on Provision of Service	(4,319)	171	(4,148)	35,610	31,462
		(34,409)			Opening General Fund Balance			(41,469)		
		(41,469)			Closing General Fund Balance			(45,618)		

2.2 ADJUSTMENTS TO THE EXPENDITURE AND FUNDING ANALYSIS

2024-25	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Chief Constable (CC)	0	(64,008)	1,148	(62,860)
Police and Crime Commissioner (PCC)	0	(29)	0	(29)
Net Cost of Services	0	(64,037)	1,148	(62,889)
Other (Income) and Expenditure Chief Constable	0	95,038	0	95,038
Other (Income) and Expenditure Police and Crime Commissioner	1,942	(113)	1,632	3,461
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	1,942	30,888	2,780	35,610

2023-24	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Chief Constable (CC)	0	(56,350)	(696)	(57,046)
Police and Crime Commissioner (PCC)	0	(5)	0	(5)
Net Cost of Services	0	(56,355)	(696)	(57,051)
Other (Income) and Expenditure Chief Constable	0	93,014	0	93,014
Other (Income) and Expenditure Police and Crime Commissioner	(3,434)	9	(1,335)	(4,761)
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	(3,434)	36,668	(2,031)	31,202

INCOME

2.3 INCOME CREDITED TO SERVICES

2023-24 £000		2024-25 £000
(8,407)	Relating to the PCC - Other Income	(7,509)
(1,900)	Partnership and Joint Controlled Operations	(2,005)
(588)	PFI Grant	(588)
(5,224)	Recharge of Officers	(6,181)
(1,917)	NSCP Income	(2,557)
(1,441)	Accommodation Rental / Hire	(1,088)
(2,978)	Training Income	(2,949)
(667)	Vehicle Recovery	(581)
(5,891)	Pay Award Grant	(2,922)
(6,034)	Miscellaneous Home Office Grants	(2,618)
(968)	Criminal Records Bureau Grant	(1,055)
(541)	Mutual Assistance	(275)
(701)	Home Office - Non Grant	(650)
(571)	Income from Collaborative Arrangements	(627)
(925)	Court Income	(845)
(3,199)	Other Income	(3,360)
(41,952)	Total for the Group	(35,810)

2.4 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023-24 £000		2024-25 £000
2,255	Interest payable and similar charges	1,930
9	Net interest on the net defined benefit liability (asset) - PCC	(113)
(3,643)	Interest receivable and similar income	(3,731)
(1,379)	Relating to the PCC	(1,914)
93,014	Net interest on the defined benefit liability (asset) - CC	95,038
91,635	Total for the Group	93,124

2.5 TAXATION AND NON-SPECIFIC GRANT INCOME – PCC AND GROUP

2023-24		2024-25
£000		£000
(91,212)	Council tax income	(94,428)
(57,953)	National Non Domestic	(59,144)
(97,345)	General Police Grant	(106,032)
(1,332)	Legacy Council Freeze Grant	(1,332)
(8,394)	Legacy Council Support Grant	(8,394)
(2,028)	Pensions Grant	(6,866)
(4,909)	PUP Ringfenced Grant	(9,027)
(39,109)	HO Police Pension Grant	(38,861)
0	Police Special Grant	(1,882)
(178)	Capital grants and contributions	(2,023)
(302,460)	Total for the PCC and Group	(327,989)

2.6 OTHER OPERATING EXPENDITURE – PCC AND GROUP

2023-24		2024-25
£000		£000
105	(Gains)/losses on the Disposal of Non-Current Assets	717
0	Other	0
105	Total for the PCC and Group	717

2.7 IMPAIRMENT LOSSES

There are no instances of impairment to report.

2.8 INCOME AND EXPENDITURE ANALYSED BY NATURE

2023-24			Nature of Expenditure or Income	2024-25		
PCC	Chief Constable	Group		PCC	Chief Constable	Group
£000	£000	£000		£000	£000	£000
2,404	211,381	213,785	Expenditure on services - employees	2,276	231,538	233,814
10,943	45,064	56,007	Expenditure on services - other	11,962	45,504	57,466
(8,407)	(33,545)	(41,952)	Income from services	(7,509)	(28,301)	(35,810)
(91,212)	0	(91,212)	Income from local taxation	(94,428)	0	(94,428)
(211,248)	0	(211,248)	Government grants and contributions	(233,561)	0	(233,561)
1,521	5,501	7,022	Depreciation, amortisation and impairment	2,095	8,044	10,139
(1,379)	93,014	91,635	Other Financing	(1,913)	95,038	93,125
105	0	105	(Gain) or loss on disposal of non-current assets	717	0	717
285,447	(285,447)	0	Intra Group Funding	319,646	(319,646)	0
(11,827)	35,969	24,142	(Surplus) or Deficit for Year	(715)	32,177	31,462

2.9 OPERATING EXPENDITURE RECONCILIATION TO OUTTURN

Total operating expenditure for the 2024/25 financial year was £284.1m. This is more than expenditure shown in the financial statements due to adjustments for regional costs, pension costs and other adjustments for statutory reporting purposes. The Pensions accounting are purely technical accounting costs relating to IAS19. The table below shows those items which are excluded from total operational expenditure.

2023-24 Group £000	Operating Expenditure Reconciliation to Outturn	2024-25 Group £000
276,814	Gross expenditure as per financial statements	301,419
(41,952)	Fee Charges Other Service Income as per financial statements	(35,810)
234,862	Net Operating Expenditure as per financial statements	265,609
17,246	Pension Accounting	25,176
738	PFI & Lease adjustments	2,021
(1,342)	Joint Operations	(1,963)
(7,012)	Capital Accounting	(9,796)
693	Accumulated Absences	(1,172)
4,649	Statutory reporting adjustments	4,154
436	Post outturn adjustments	80
250,270	Net Operating Expenditure as per Outturn	284,110

3. NOTES TO THE MOVEMENT IN RESERVES STATEMENT

3.1 TRANSFERS (TO)/FROM EARMARKED RESERVES – PCC AND GROUP

This shows how monies have been set aside or used during the year. All earmarked reserves are within the PCC accounts only.

	Balance at 31 March 2023	Transfers In 2023-24	Transfers Out 2023-24	Trf Between Reserves 2023-24	Balance at 31 March 2024	Transfers In 2024-25	Transfers Out 2024-25	Trf Between Reserves 2024-25	Balance at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Target Hardening	(73)	0	0	73	0	0	0	0	0
Animal Welfare	(19)	0	0	19	0	0	0	0	0
TPAC Collisions	(100)	0	0	100	0	0	0	0	0
Temp PC Uplift	0	(1,830)	1,000	(1,000)	(1,830)	0	1,830	0	0
Grants and Commissioning	(6,826)	(445)	0	0	(7,271)	(10)	24	10	(7,247)
PFI Life Cycle Costs	(207)	(42)	0	0	(249)	(42)	0	0	(292)
PCC Night Time Levy	(275)	(55)	0	0	(330)	0	109	0	(221)
Op Perth	0	(2,281)	0	(1,951)	(4,232)	(683)	0	0	(4,915)
Op Catalyst	0	(500)	0	0	(500)	0	150	0	(350)
Asset Replacement	(2,589)	0	0	0	(2,589)	(1,913)	0	0	(4,502)
Investment Reserve	(1,694)	0	310	0	(1,384)	0	0	500	(884)
PCC	(1,048)	0	0	0	(1,048)	0	0	0	(1,048)
Police Property Act	(428)	(350)	0	0	(778)	(152)	0	0	(930)
Drug Fund	(71)	(22)	0	0	(93)	(48)	0	0	(141)
Sustainability	(1,500)	0	0	0	(1,500)	0	0	0	(1,500)
Revenue Grants	(4,051)	0	0	4,051	0	0	0	0	0
Mini Police	0	0	(0)	(14)	(14)	0	14	0	(0)
Traffic Safety Camera Partnership	0	0	19	(1,719)	(1,700)	(399)	0	0	(2,099)
Police Incentivisation Reserve	0	(427)	0	(620)	(1,047)	0	102	0	(945)
Safer Roads for Nottinghamshire	0	(610)	0	(295)	(905)	(229)	0	0	(1,134)
PCC Revenue Reserves	0	(1,052)	0	(403)	(1,455)	(213)	900	(10)	(778)
Medium Term Financial Plan	(3,165)	0	0	1,759	(1,406)	(3,128)	0	(1,000)	(5,534)
Insurance	(2,237)	0	0	0	(2,237)	0	0	0	(2,237)
Legal Pay	0	(750)	0	0	(750)	0	0	500	(250)
Joint Operations	(1,114)	(8)	208	0	(914)	(270)	100	0	(1,084)
Total Earmarked Reserves	(25,396)	(8,372)	1,536	0	(32,232)	(7,089)	3,229	0	(36,091)
General Fund	(9,014)	(224)	0	0	(9,238)	(396)	107	0	(9,527)
Total General Fund Balance	(34,410)	(8,596)	1,536	0	(41,470)	(7,485)	3,336	0	(45,618)

3.2 USABLE RESERVES – PCC AND GROUP

2023-24 £000	Capital Receipts Reserve	2024-25 £000
0	Balance 1 April	0
(946)	Capital Receipts in Year	(483)
946	Applied in Year	483
0	Balance 31 March	0

2023-24 £000	Capital Grants & Contributions Unapplied	2024-25 £000
0	Balance 1 April	0
(178)	Capital Grants and Contributions Recognised in Year	(153)
178	Capital Grants and Contributions Applied	153
0	Balance 31 March	0

3.3 UNUSABLE RESERVES

2023-24		Type of Reserve	2024-25	
PCC £000	Group £000		PCC £000	Group £000
(2,142)	2,040,394	Pensions	0	1,840,971
246	3,905	Accumulated Absences	302	5,109
(3,287)	(3,287)	Revaluation Reserve	(7,376)	(7,376)
1,688	1,688	Capital Adjustment	3,630	3,630
(1,464)	(1,464)	Collection Fund	(117)	(117)
(4,959)	2,041,236	Total	(3,561)	1,842,217

UNUSABLE RESERVES – PENSIONS

2023-24		Pensions Reserve	2024-25	
PCC £000	Group £000		PCC £000	Group £000
(1,853)	2,032,461	Balance 1 April	(2,143)	2,040,394
(293)	(28,735)	Remeasurements of the net defined benefit liability/(asset)	2,284	(230,311)
285	118,141	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	181	120,932
(282)	(81,473)	Employer's contributions to pensions schemes	(323)	(90,044)
(2,143)	2,040,394	Balance 31 March	0	1,840,971

UNUSABLE RESERVES – ACCUMULATED ABSENCES

2023-24				Accumulated Absences	2024-25			
PCC		Group			PCC		Group	
£000	£000	£000	£000		£000	£000	£000	£000
	200		4,554	Balance 1 April		246		3,905
(200)		(4,554)		Settlement or cancellation of accrual made at the end of the preceding year	(246)		(3,905)	
246		3,905		Amounts accrued at year end	302		5,109	
	46		(649)	Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		56		1,204
	246		3,905	Balance at 31 March		302		5,109

UNUSABLE RESERVES – REVALUATION RESERVE

2023-24 £000	Revaluation Reserve	2024-25 £000
(3,295)	Balance 1 April	(3,287)
(71)	Upward Revaluation of assets	(4,337)
0	Downward revaluation of assets and impairment losses not charged to the (surplus)/deficit on the provision of services	19
(71)	(Surplus) or deficit on revaluation of non-current assets not posted to the (surplus)/deficit on the provision of services	(4,318)
0	Revaluation balances written off on disposal	153
79	Difference between fair value depreciation and historical cost depreciation	76
79	Amount written off to the Capital Adjustment Account	229
(3,287)	Balance 31 March	(7,376)

UNUSABLE RESERVES – COLLECTION FUND

2023-24 £000	Collection Fund (PCC / Group)	2024-25 £000
(2)	Balance 1 April	(1,464)
(1,462)	Amount by which council tax income credited to the comprehensive income and expenditure statement is different from council tax income calculated for the year in accordance with statutory requirements	1,347
(1,464)	Balance 31 March	(117)

UNUSABLE RESERVES – CAPITAL ADJUSTMENT ACCOUNT

2023-24	Capital Adjustment Account	2024-25
£000		£000
5,122	Balance 1 April	1,688
	Capital Accounting	
5,820	Depreciation & Amortisation	8,044
1,057	Disposals	1,205
1,202	Revaluations & Impairments	2,095
0	Donated Assets	(1,870)
(79)	Historic Cost Adjustments	(229)
	Capital Financing	
(178)	Grants & Contributions	(153)
(946)	Receipts Reserve	(483)
(36)	Earmarked Reserves	0
(5,927)	Revenue Financing	(250)
(253)	Lease Accounting	(1,731)
0	Lease Adjustment	0
(4,093)	MRP charge	(4,685)
1,688	Balance 31 March	3,630

3.4 UNUSABLE RESERVES MOVEMENTS

The table analyses the unusable reserves movements in the MIRS.

2023-24		Movement in Unusable Reserves	2024-25	
PCC £000	Group £000		PCC £000	Group £000
173	2,038,841	Balance at Start of year	(4,959)	2,041,237
(364)	(28,806)	Comprehensive Income and Expenditure	(2,034)	(234,629)
(4,768)	31,202	Adjustments between accounting basis and funding basis under regulations	3,432	35,610
0	0	Transfers from Earmarked Reserves	0	0
(4,959)	2,041,237	Balance at End of Year	(3,561)	1,842,217

3.5 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2024-25	General Fund Balance	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Movement in Unusable Reserves
	PCC	Group	Group	Group	PCC	Group
	£000	£000	£000	£000	£000	£000
Pension costs (transferred to / (from) the Pensions Reserve)	142	(30,888)	0	0	(142)	30,888
Council tax (transfers to / (from) the Collection Fund)	(1,347)	(1,347)	0	0	1,347	1,347
Holiday pay (adjustments to the Accumulated Absences reserve)	(56)	(1,204)	0	0	56	1,204
Revaluation Reserve	0	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(7,742)	(7,742)	0	0	7,742	7,742
Capital Grants	153	153	0	(153)	0	0
Total Adjustments to Revenue Resources	(8,850)	(41,028)	0	(153)	9,003	41,181
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	483	483	(483)	0	0	0
Statutory Provision for the repayment of debt	4,685	4,685	0	0	(4,685)	(4,685)
Capital expenditure financed from revenue balances	250	250	0	0	(250)	(250)
Total Adjustments between Revenue & Capital Resources	5,418	5,418	(483)	0	(4,935)	(4,935)
Application of capital grant to finance capital expenditure	0	0	0	153	(153)	(153)
Use of capital receipts reserve to finance capital expenditure	0	0	483	0	(483)	(483)
Use of earmarked reserves to finance capital expenditure	0	0	0	0	0	(0)
Total Adjustment to Grants/Contributions & Reserves	0	0	483	153	(635)	(636)
Total Adjustments	(3,432)	(35,610)	0	0	3,432	35,610

2023-24	General Fund Balance	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Movement in Unusable Reserves
	PCC	Group	Group	Group	PCC	Group
	£000	£000	£000	£000	£000	£000
Pension costs (transferred to / (from) the Pensions Reserve)	(3)	(36,668)	0	0	3	36,668
Council tax (transfers to / (from) the Collection Fund)	1,462	1,462	0	0	(1,462)	(1,462)
Holiday pay (adjustments to the Accumulated Absences reserve)	(46)	649	0	0	46	(649)
Revaluation Reserve	0	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(7,825)	(7,825)	0	0	7,825	7,825
Capital Grants	178	178	0	(178)	0	0
Total Adjustments to Revenue Resources	(6,235)	(42,204)	0	(178)	6,413	42,382
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	946	946	(946)	0	0	0
Statutory Provision for the repayment of debt	4,093	4,093	0	0	(4,093)	(4,093)
Capital expenditure financed from revenue balances	5,927	5,927	0	0	(5,927)	(5,927)
Total adjustments between Revenue and Capital Resources	10,967	10,967	(946)	0	(10,020)	(10,020)
Application of capital grant to finance capital expenditure	0	0	0	178	(178)	(178)
Use of capital receipts reserve to finance capital expenditure	0	0	946	0	(946)	(946)
Use of earmarked reserves to finance capital expenditure	36	36	0	0	(36)	(36)
Total Adjustment to Grants/Contributions & Reserves	36	36	946	178	(1,160)	(1,160)
Total adjustments	4,768	(31,202)	0	0	(4,768)	31,202

4. NOTES TO THE BALANCE SHEET

4.1 PROPERTY PLANT AND EQUIPMENT MOVEMENTS

PPE Movements during 2024/25	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Right Of Use Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Cost or Valuation					
at 1 April 2024	52,388	31,472	13	7,460	91,333
Accumulated depreciation written off to the gross carrying amount	(3,281)	0	0	0	(3,281)
Additions	917	3,718	11	0	4,645
Revaluation increases/(decreases) recognised in the Revaluation Reserve	4,318	0	0	0	4,318
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(2,330)	0	0	0	(2,330)
De-recognition – disposals	(2,237)	(1,590)	0	0	(3,827)
Reclassifications and transfers	(180)	15	(15)	0	(180)
at 31 March 2025	49,595	33,615	9	7,460	90,679
Depreciation & Impairment					
at 1 April 2024	(4,492)	(19,970)	0	0	(24,462)
Accumulated depreciation written off to the gross carrying amount	3,281	0	0	0	3,281
Depreciation charge	(2,494)	(4,166)	0	(1,148)	(7,808)
De-recognition – disposals	1,244	1,396	0	0	2,640
Reclassifications and transfers	10	0	0	0	10
at 31 March 2025	(2,450)	(22,740)	0	(1,148)	(26,339)
Net Book Value					
at 31 March 2025	47,145	10,875	9	6,311	64,340
at 31 March 2024	47,896	11,502	13	0	59,411

The table above includes one PFI building with a net book value at 31 March 2025 of £1,283k, made up of Gross Cost of £1,924k and Accumulated Depreciation of £(641)k. The depreciation charge for the year is £641k.

PPE Movements during 2023-24	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Right Of Use Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Cost or Valuation					
at 1 April 2023	55,791	41,784	5	0	97,580
Accumulated depreciation written off to the gross carrying amount	(437)	0	0	0	(437)
Additions	2,359	5,909	14	0	8,283
Revaluation increases/(decreases) recognised in the Revaluation Reserve	71	0	0	0	71
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(1,377)	0	0	0	(1,377)
De-recognition – disposals	(4,019)	(16,227)	0	0	(20,247)
Reclassifications and transfers	0	6	(6)	0	0
at 31 March 2024	52,388	31,472	13	0	83,874
Depreciation & Impairment					
at 1 April 2023	(7,206)	(31,879)	0	0	(39,085)
Accumulated depreciation written off to the gross carrying amount	652	0	0	0	652
Depreciation charge	(1,533)	(4,053)	0	0	(5,585)
De-recognition – disposals	3,595	15,962	0	0	19,557
Reclassifications and transfers	0	0	0	0	0
at 31 March 2024	(4,492)	(19,970)	0	0	(24,462)
Net Book Value					
at 31 March 2024	47,896	11,502	13	0	59,411
at 31 March 2023	48,584	9,905	5	0	58,495

The table above includes one PFI building with a net book value at 31 March 2024 of £742k, made up of Gross Cost of £1,731k and Accumulated Depreciation of £(989)k. The depreciation charge for the year is £247k.

4.2 PROPERTY, PLANT AND EQUIPMENT REVALUATIONS

Land and buildings are revalued on a five year rolling programme to ensure that their carrying amount is not materially different from their fair value. Land and Building values are based on valuations by Roger Smalley BSc MRICS, (Director) of the independent valuers Lambert Smith Hampton.

The resulting revaluations were considered by the internal valuer, and it was not considered appropriate to commission any further valuations because there were no trends emerging that would materially affect the valuations.

The below table includes one PFI building with a value of £1,283k.

Revaluations	Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets under Construction £000	Total £000
Carried at historical cost	4,911	10,018	0	14,929
Valued at current value as at:				
31/03/2025	43,873	0	0	43,873
31/03/2024	1,623	0	0	1,623
31/03/2023	0	0	0	0
31/03/2022	797	0	0	797
31/03/2021	0	0	0	0
31/03/2020	0	0	0	0
Total Net Book Value	51,204	10,018	0	61,223
Share of Joint Operations PPE				
Carried at historical cost	0	857	9	866
Valued at current value as at:				
31/03/2025	2,252	0	0	2,252
Total Net Book Value	53,456	10,875	9	64,340

4.3 INVESTMENT PROPERTIES

2023-24	Investment Properties	2024-25
Other Assets £000		Other Assets £000
	Balance at start of year:	
825	Gross carrying amounts	785
0	Accumulated amortisation	0
825	Net carrying amount at start of year	785
0	Purchases	0
(40)	Revaluation	235
0	Transfers from Property, Plant and Equipment	170
0	Amortisation for the period	0
785	Net carrying amount at end of year	1,190
	Comprising:	
785	Gross carrying amounts	1,190
0	Accumulated amortisation	0
785		1,190

4.4 INTANGIBLE ASSETS

Movements are summarised in the table below:

2023-24	Intangible Assets	2024-25
Other Assets £000		Other Assets £000
	Balance at start of year:	
2,306	Gross carrying amounts	1,501
(1,815)	Accumulated amortisation	(1,236)
491	Net carrying amount at start of year	265
11	Purchases	8
(817)	Disposals	(1,436)
814	Amortisation on disposals	1,418
(234)	Amortisation for the period	(235)
265	Net carrying amount at end of year	19
1,501	Gross carrying amounts	73
(1,236)	Accumulated amortisation	(53)
265		19

4.5 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure, including capitalised PFI and leases and sources of finance are shown in the table below. It shows cumulative capital expenditure which is to be financed in future years by charges to revenue. The Capital Financing Requirement is determined by these factors.

At the 31 March 2025 the PCC had entered into a number of capital contracts which would continue to incur expenditure in future years. These future obligations totalled £1.5m (£2.7m in 2023/24). The contracts covered building upgrade schemes and ongoing enhancement to technology and fleet.

The lease accounting prior year corrections of £1,039k shown in the below table relate to amounts that were omitted from the Capital Financing Requirement in error over a number of years.

2023-24 £000	Capital Expenditure and Capital Financing	2024-25 £000
62,991	Opening Capital Financing Requirement	58,812
	Capital Investment:	
8,283	Property Plant and Equipment	4,645
0	Right Of Use Assets	7,460
11	Intangible Assets	8
8,294	Total Capital Spending	12,113
	Sources of Finance:	
(946)	Capital Receipts	(483)
(36)	Earmarked Reserves	0
(178)	Government Grants and other contributions	(153)
0	Donated Asset Gain	(1,870)
(5,927)	Revenue Contributions	(250)
	Sums set aside from revenue:	
(253)	Lease Accounting	(1,731)
(1,039)	Lease Accounting - Prior year corrections	0
(4,093)	Minimum Revenue Provision	(4,685)
0	Additional Revenue Provision	0
(12,473)	Total Sources of Finance	(9,172)
58,812	Closing Capital Financing Requirement	61,753

4.6 ASSETS HELD FOR SALE

The PCC's Estates Strategy is to review all property held and place surplus property up for sale. The following table shows the value of properties held for sale at the Balance Sheet dates.

When classified as 'Held For Sale' the asset is no longer subject to depreciation. It is shown as a current asset because the funds are due within the forthcoming year.

2023-24 £000	Assets Held for Sale	2024-25 £000
364	Balance outstanding at start of year	0
0	Newly classified as held for sale	0
0	Revaluations	0
(364)	Assets sold	0
0	Balance outstanding year end	0

4.7 INVENTORIES

The total carrying amount of inventories is £2.17m, of which £1.41m relates to IT stock, £0.69m relates to Uniform, and £0.07m relates to fuel.

No stock was written down during the year, and there were no reversals of written-down stock recognised during the year.

2023-24 £000	Value of Inventories	2024-25 £000	Movement £000
2,900	IT	1,410	(1,490)
487	Uniform	686	199
97	Fuel	73	(25)
3,484	Total	2,169	(1,315)

4.8 DEBTORS PCC AND GROUP

An impairment allowance of £6.63m is held against Council Tax arrears of £12.95m at 31 March 2025 (£5.95m and £11.33m respectively at 31 March 2024). This level of allowance has been assessed by the Council Tax Billing Authorities. Debtors relate to the PCC only.

Customers owed £2.79m at year end (£3.34m in 2023/24). An allowance of £0.62m is set aside for debts to mitigate the effect of default (£0.95m in 2023/24) which is reflective of the expected credit loss.

Prepayments totalled £8.94m at year end (£8.06m in 2023/24).

2023-24 £000	Debtors	2024-25 £000
7,829	Central Government Bodies	8,873
8,577	Other Local Authorities	8,751
9,941	Other Entities and Individuals	10,901
26,347	Total Debtors	28,525

4.9 SHORT TERM INVESTMENTS PCC AND GROUP

2023-24 £000	Short Term Investments	2024-25 £000
5,000	West Dunbartonshire Council	0
5,000	Aberdeen City Council	0
5,000	City of Stoke-on-Trent	0
5,000	Merseyside PCC	0
4,000	Eastleigh Borough Council	6,000
3,000	Isle of Wight Council	0
0	North Tyneside Council	7,000
0	North East Lincolnshire Council	2,000
0	Moray Council	5,000
0	Kingston upon Hull City Council	4,000
0	Monmouthshire County Council	2,000
27,000	Total Short Term Investments	26,000

4.10 CREDITORS PCC AND GROUP

The creditors figure includes receipts under The Proceeds of Crime Act 2002 and The Police Property Act 1997 (as amended by the Serious Crime Act 2005 and 2007). These cover monies received from the confiscation or sale of property which has come into their possession in connection with a criminal charge. Once judgement is made monies are either, paid over to the State, repaid to the individual or made available for the PCC to use on specific purposes.

2023-24		Creditors	2024-25	
PCC £000	Group £000		PCC £000	Group £000
(6,706)	(6,706)	Central Government Bodies	(7,925)	(7,925)
(8,839)	(8,839)	Other Local Authorities	(13,394)	(13,394)
(14,570)	(18,229)	Other Entities and Individuals	(8,797)	(13,604)
(30,115)	(33,774)	Total Creditors	(30,115)	(34,922)

4.11 PROVISIONS

2024-25	Insurance £000	Dilapidation £000	Legal Pay Claims £000	Medical Retirement £000	Redundancy £000	Bad Debt £000	Total £000
Opening Balance	(3,247)	(822)	(920)	0	0	0	(4,989)
Increase in provision during year	(1,502)	(25)	0	0	0	0	(1,527)
Utilised during year	752	7	715	0	0	0	1,474
Closing Balance	(3,997)	(840)	(205)	0	0	0	(5,041)

2023-24	Insurance £000	Dilapidation £000	Legal Pay Claims £000	Medical Retirement £000	Redundancy £000	Bad Debt £000	Total £000
Opening Balance	(2,988)	(620)	(2,301)	(78)	(14)	(585)	(6,586)
Increase in provision during year	(1,019)	(202)	545	0	0	585	(91)
Utilised during year	760	0	836	78	14	0	1,688
Closing Balance	(3,247)	(822)	(920)	0	0	0	(4,989)

4.12 SHORT AND LONG TERM DEBT

2023-24 £000	Short Term Borrowing	2024-25 £000
(3,000)	Market Loan - Elmbridge Borough Council (1)	0
(1,161)	PWLB	(1,038)
(4,161)	Total Short Term Borrowing	(1,038)

2023-24 £000	Long Term Borrowing	2024-25 £000
(3,500)	Market Loan – L.O.B.O.	(3,500)
(55,579)	PWLB	(54,541)
(59,079)	Total Long Term Borrowing	(58,041)

4.13 LEASES

The OPCC acquired the lease of one property within the financial year ending 31st March 2025 for a ten year lease term (with a non-cancellable term of 5 years) with an ongoing annual rent of £0.077m.

Movement of Right-of-use assets

This table shows the change in the value of the right-to-use assets held under lease:

Movement of Right-of-use assets	Total £'000
<u>Cost or Valuation (GCA)</u>	
At 1 April 2024	7,460
Additions	0
Acc Dep & Imp WO to GCA	0
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	0
At 31 March 2025	7,460
<u>Accumulated Depreciation & Impairment</u>	
At 1 April 2024	0
Depreciation Charge for 2024/25	(1,148)
At 31 March 2025	(1,148)
<u>Net Book Value</u>	
At 31 March 2024	0
At 31 March 2025	6,311
Movement	6,311

Maturity analysis of lease liabilities

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

Exemptions/Low Value Assets		Maturity Analysis of Lease Liabilities	IFRS16 Assets	
2023-24 £000	2024-25 £000		2023-24 £000	2024-25 £000
0	50	Less than one year	1,196	1,236
0	12	One - five years	3,442	2,596
0	6	More than five years	2,052	1,661
0	68	Total	6,689	5,493

Transactions under leases

This table shows the interest expense for Right-of-use assets, as well as rental expenses for exempt leases which have been incurred by the Group in 2024/25:

Transactions under Leases	Total £'000
Interest expense on lease liabilities	248
Expenses relating to exempt leases	40
	288

4.14 SERVICE CONCESSION ARRANGEMENTS – PFI AGREEMENTS

Reimbursement of Capital Expenditure 2023-24 £000	Payment for Services 2023-24 £000	Riverside Premises PFI	Reimbursement of Capital Expenditure 2024-25 £000	Payment for Services 2024-25 £000
265	780	Payable within one year	641	405
517	1,394	Payable within two to five years	676	233
0	0	Payable within six to ten years	0	0
782	2,175	Total	1,317	638

2023-24 £000	PFI	2024-25 £000
862	Gross PFI liabilities	1,391
	Due:	
304	Not later than one year	696
558	Later than one year and not later than five years	696
0	Later than five years	0
862		1,391
(80)	Finance charges allocated to future periods	(74)
782	Net PFI liabilities	1,317
	Net PFI liabilities	
	Due:	
265	Not later than one year	641
517	Later than one year and not later than five years	676
0	Later than five years	0
782		1,317
	Finance cost payments committed in respect of PFI	
40	Not later than one year	55
40	Later than one year and not later than five years	20
0	Later than five years	0
80		74
	Services payable to PFI operator (included in the unitary payment)	
740	Not later than one year	350
1,354	Later than one year and not later than five years	214
0	Later than five years	0
2,094		564
	Total unitary payments to PFI operator	
1,045	Not later than one year	1,045
1,912	Later than one year and not later than five years	910
0	Later than five years	0
2,957		1,955

5. NOTES TO THE CASH FLOW STATEMENT

The Cash Flow Statement has been prepared using the 'Indirect Method', which adjusts the surplus or deficit on the provision of services for non-cash items.

5.1 CASH AND EQUIVALENTS

Cash and cash equivalents consist of bank, temporary investments and instant access accounts, as well as investments that mature up to three months from year-end. These are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

2023-24 £000	Cash and Equivalents Comprise	2024-25 £000
5,540	Low Volatility Net Asset Value Funds (LVNAVs)	9,739
19,000	Temporary Investments	14,000
1,316	Cash and Bank	876
25,856	Total	24,615

5.2 CASH FLOW FROM OPERATING ACTIVITIES – GROUP CASH FLOWS

2023-24 £000	The cash flows for operating activities include the following items	2024-25 £000
(3,643)	Interest Received	(3,731)
1,812	Interest Paid	1,683
(1,831)	Total	(2,048)

2023-24 £000	The cash flows for operating activities include the following items	2024-25 £000
(5,585)	Depreciation	(7,808)
(234)	Amortisation	(235)
246	Property revaluations	4,553
509	(Increase)/decrease in creditors	(1,201)
(1,396)	Increase/(decrease) in debtors	2,178
1,910	Increase/(decrease) in inventories	(1,315)
(36,668)	Movement in long term liability	(30,888)
265	Movement in other non-current assets/liabilities	(2,928)
(1,057)	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(1,205)
(1,451)	Other non-cash movements charged to the (surplus) or deficit on provision of services	813
(43,462)	Total	(38,035)

2023-24 £000	The (surplus) or deficit on the provision of services has been adjusted for the following investing and financing activities	2024-25 £000
946	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	483
178	Any other items for which the cash effects are investing or financing cash flows	153
1,124	Total	635

5.3 CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES - GROUP CASH FLOWS

2023-24 £000	Cash Flow from Investing and Financing Activities	2024-25 £000
8,294	Purchase of PPE, investment property and intangible assets	4,653
85,000	Purchase of short term and long term investments	50,000
(90,000)	Repayments of short-term and long term investments	(51,000)
(946)	Proceeds from the sale of PPE, investment property and intangible assets	(483)
(178)	Other receipts from investing activities	(153)
2,170	Net cash flows from investing activities	3,018
(6,000)	Cash receipts of short-term and long-term borrowing	0
17,033	Repayments of short-term and long-term borrowing	4,161
11,033	Net cash flows from financing activities	4,161

6. REMUNERATION

6.1 MEMBERS REMUNERATION

Members of the Joint Independent Audit Committee were paid £0.009m (£0.008m 2023/24).

6.2 OFFICERS REMUNERATION OVER £50,000

Employees within the Group who are receiving over £50,000 remuneration for the year are shown in the table below. This excludes the senior officers reported in a separate table in note 6.3.

Remuneration over £50,000	2023-24	2024-25
£50,001 to £55,000	20	49
£55,001 to £60,000	20	22
£60,001 to £65,000	3	11
£65,001 to £70,000	5	10
£70,001 to £75,000	1	1
£75,001 to £80,000	1	2
£80,001 to £85,000	0	1
£85,001 to £90,000	3	1
£90,001 to £95,000	0	0
£95,001 to £100,000	2	1
£100,001 to £200,000	0	2
Total	55	100

6.3.1 SENIOR OFFICER PAYMENTS

Officers Remuneration 2024-25	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Police & Crime Commissioner	3	8,219	-	-	-	1,496	9,715
Police & Crime Commissioner	4	70,181	-	-	-	12,773	82,954
Chief Executive to the Police & Crime Commissioner		106,075	-	3,887	-	19,306	129,267
Chief Finance Officer to the Police & Crime Commissioner	5	111,457	-	-	-	20,285	131,742
TOTAL PCC		295,931	-	3,887	-	53,860	353,678
Chief Constable - K Meynell		200,545	-	-	-	69,004	269,549
Deputy Chief Constable - S Cooper		147,249	-	7,000	-	51,932	206,181
Assistant Chief Constable		133,191	-	5,500	-	43,915	182,606
Assistant Chief Constable	6	131,368	-	6,000	-	43,915	181,283
Temp Assistant Chief Constable	7 & 8	109,926	400	2,500	-	36,363	149,189
Chief Finance Officer to the Chief Constable	9	88,244	-	-	-	16,060	104,305
TOTAL CHIEF CONSTABLE		810,522	400	21,000	-	261,190	1,093,112
TOTAL FOR GROUP		1,106,454	400	24,887	-	315,049	1,446,790

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation.

Note 3: Police & Crime Commissioner left 08/05/2024.

Note 4: Police & Crime Commissioner wef 09/05/2024.

Note 5: CFO to PCC received honorarium for covering some statutory CEO responsibilities in 2023/24, but this was paid in 2024/25.

Note 6: ACC out of force secondment wef 18/11/2024.

Note 7: Temp promotion to ACC from 01/11/2024.

Note 8: Bonus relates to the Mandatory Bonus Payment Scheme for 24/7 Duty Rota Superintendents/Chief Superintendents & 24/7 Firearms Commander paid in May.

Note 9: CFO to the Chief Constable began a period of phased retirement wef 01/04/2024 and has therefore reduced hours of employment, average 0.6 FTE.

6.3.2 SENIOR OFFICER PAYMENTS (CONT)

Officers Remuneration 2023-24	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Police & Crime Commissioner		78,400	0	0	0	14,047	92,447
Chief Executive to the Police & Crime Commissioner	3 & 5	84,441	0	0	0	9,426	93,867
Chief Executive to the Police & Crime Commissioner	4 & 5	9,374	0	0	0	1,706	11,080
Chief Finance Officer to the Police & Crime Commissioner	5 & 6	90,949	0	0	0	16,212	107,161
TOTAL PCC		263,164	0	0	0	41,391	304,555
Chief Constable - K Meynell		190,529	0	0	0	57,473	248,002
Deputy Chief Constable		139,454	0	7,000	0	43,231	189,684
Assistant Chief Constable		123,887	0	6,000	0	33,336	163,223
Assistant Chief Constable	7	117,282	800	5,250	0	32,625	155,957
Chief Finance Officer to the Chief Constable		119,117	0	0	0	21,407	140,524
TOTAL CHIEF CONSTABLE		690,269	800	18,250	0	188,072	897,390
TOTAL FOR GROUP		953,433	800	18,250	0	229,463	1,201,945

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation.

Note 3: PCC CEO left 31/10/2023.

Note 4: PCC CEO wef 26/02/2024.

Note 5: CEO responsibilities were covered by PCC staff in interim period 01/11/2023 - 25/02/2024.

Note 6: PCC CFO received honorarium for covering some statutory CEO responsibilities but this is excluded from the table above due to this being paid in 2024/25.

Note 7: Bonus relates to the Mandatory Bonus Payment Scheme for 24/7 Duty Rota Superintendents/Chief Superintendents & 24/7 Firearms Commander paid in May.

6.4 EXIT PACKAGES (EXCLUDING EMPLOYEES IN NOTE 6.3)

Contracts were terminated for 6 employees in the group during the year (10 in 2023/24), incurring costs of £102k (£246k in 2023/24). This included redundancy payments of £36k and pension strain costs of £66k.

In 2024/25 there were no exit payments within the PCC (1 in 2023/24). The Group made no material payments in relation to injury awards during the year.

Exit Packages								
Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£000)	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
£0 - £20,000	-	-	7	5	7	5	40	15
£20,001 - £40,000	-	-	3	-	2	-	60	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	1	-	1	-	87
£100,001 - £150,000	1	-	-	-	1	-	146	-
Over £150,000	-	-	-	-	-	-	-	-
Total	1	0	10	6	10	6	246	102

6.5 AUDITOR REMUNERATION

Grant Thornton UK LLP are the external auditor to the PCC and Group for 2024/25.

The accrued cost is £0.16m, of which £0.106m relates to the PCC, and £0.054m relates to the Chief Constable (£0.152m accrued in 2023/24, of which £0.101m relates to the PCC, and £0.051m relates to the Chief Constable). No other services were purchased.

7. FINANCIAL INSTRUMENTS

7.1 FINANCIAL INSTRUMENTS OUTSTANDING

The Market Loan of £3.5m was taken out with Danske Bank in May 2006 for 60 years. Since May 2011 it has featured a break clause every six months (Lenders Option, Borrowers Option LOBO). This option has not yet been used.

	Long-term 2023-24 £000	Long-term 2024-25 £000	Current 2023-24 £000	Current 2024-25 £000
Financial Assets				
Debtors				
Debtors at Amortised Cost	0	0	13,033	14,625
Other at Amortised Cost	0	0	0	0
Total included in Debtors	0	0	13,033	14,625
Cash & Investments				
Cash			1,316	876
Investments at Fair Value Through Profit or Loss			5,540	9,739
Investments at Amortised Cost	0	0	46,000	40,000
Total included in Cash & Investments	0	0	52,856	50,615
Total Financial Assets	0	0	65,888	65,239
Financial Liabilities				
Borrowings				
Borrowings at Amortised Cost	(59,079)	(58,041)	(4,161)	(1,038)
Total included in Borrowings	(59,079)	(58,041)	(4,161)	(1,038)
Other Long Term Liabilities				
PFI and finance lease liabilities	(517)	(3,445)	(265)	(641)
Total included in Other Long Term liabilities	(517)	(3,445)	(265)	(641)
Creditors				
Creditors at Amortised Cost	0	0	(26,768)	(25,601)
Total included in Creditors	0	0	(26,768)	(25,601)
Total Financial Liabilities	(59,596)	(61,486)	(31,194)	(27,280)
Financial Liabilities at amortised cost				
Interest expense			1,812	1,683
Financial Assets: Loans and receivables				
Interest income			(3,643)	(3,731)
Net expense in (Surplus) or Deficit on the Provision of Services			(1,831)	(2,048)

8. OTHER NOTES

8.1 BASIS OF COST ALLOCATION

The basis of splitting costs between The PCC and the Chief Constable for revenue is based on operational activity of the Chief Constable.

All assets and liabilities belong to the Group apart from the provision for accumulated absences and pension liabilities that relate for the officers and staff that report to the Chief Constable.

8.2 RELATED PARTIES

Disclosures are required for material transactions with related parties, bodies or individuals that have the potential to control or influence the Group or vice versa. This allows transparency to the extent that the Group might have been constrained in its ability to operate independently or might have limited another party's ability to bargain freely.

Central Government

Central Government asserts significant influence over the general operations of the police. It provides the statutory framework and the majority of its funding in the form of grants and limits the increase in precepts. Note 2.5 provides a breakdown of grant income.

Other Public Bodies (Subject to common control by central government)

There is also influence by other Local Authority partners. This is particularly relevant to Nottingham City Council, who provide funding for specific roles, and Nottinghamshire County Council who administer the LGPS. Payments to the County Council in respect of pensions are disclosed in note 10. Precept payments received from other Local Authorities are shown in note 2.5.

Members and Senior Officers

The CIPFA Code requires members to complete a declaration of personal interests under section 81(1) of the Local Government Act 2000 and the Local Authorities (Model Code of Conduct) Order 2007. The PCC and Deputy PCC complete a register of interests form which is published on the PCC website, and an annual review is undertaken. Senior employees can influence decisions as such they complete a declaration of personal interests, from this it was identified that no relevant related party transactions occurred.

9. JOINT OPERATIONS

There are four JOs between Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire, Nottinghamshire's proportion is 27.3% (27.3% 2023/24).

- The East Midlands Special Operations Unit (EMSOU), which includes The Technical Surveillance Unit (TSU)
- The East Midlands Special Operations Major Crime (EMSOU MC).
- The East Midlands Forensic Support Services (EMFSS).
- The East Midlands Legal Service (EMLS).

The other collaborations are:

- The East Midlands Learning & Development (EMCHRS L&D) is a four-way shared service with Leicestershire, Derbyshire, and Northamptonshire. Nottinghamshire's proportion is 31.53% (31.42% 2023/24).

2023-24			Joint Operations Comprehensive Income and Expenditure Statement	2024-25		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
13,246	0	13,246	Cost of Police Services	15,214	0	15,214
13,246	0	13,246	Cost of Services	15,214	0	15,214
5	(314)	(309)	Other Operating Expenditure / Income	6	(621)	(615)
0	(1,338)	(1,338)	External Grants and Contributions	0	(2,157)	(2,157)
0	(11,596)	(11,596)	Contributions From Partners	0	(12,636)	(12,636)
13,251	(13,248)	3	(Surplus) or Deficit on Provision of Services	15,220	(15,414)	(194)
		0	Other CIES			0
		3	Total CIES			(194)

Joint Operations Movement in Reserves	General Fund Balance £000	Earmarked Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2024	(75)	(839)	0	(914)	(2,864)	(3,778)
Movements in reserves during 2024-25	23	0	0	23	(23)	0
(Surplus) / deficit on the provision of services	(193)	0	0	(193)	0	(193)
Other CIES	0	0	0	0	0	0
Total CIES	(170)	0	0	(170)	(23)	(193)
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	0	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(170)	0	0	(170)	(23)	(193)
Transfers to / (from) Earmarked Reserves	170	(170)	0	0	0	0
(Increase) or Decrease in 2024-25	0	(170)	0	(170)	(23)	(193)
Balance at 31 March 2025	(75)	(1,009)	0	(1,084)	(2,887)	(3,971)

2023-24 £000	Joint Operations Balance Sheet	2024-25 £000
3,054	Property, Plant and Equipment	3,109
13	Assets Under Construction	9
15	Intangible Assets	20
3,082	Long Term Assets	3,138
0	Assets Held for Sale	0
720	Short Term Debtors	930
1,124	Cash and Cash Equivalents	1,761
1,844	Current Assets	2,691
(1,148)	Short-Term Creditors	(1,858)
(1,148)	Current Liabilities	(1,858)
0	Long Term Liabilities	0
3,778	Net Assets	3,971
(914)	Usable Reserves	(1,084)
(2,864)	Unusable Reserves	(2,886)
(3,778)	Total Reserves	(3,971)

JOINT OPERATIONS & ASSOCIATE ENTITIES

The OPCC's share of Joint Operations (JO's) for 2024/25 is as follows:

2023-24				Arrangement	2024-25			
Expenditure £000	Income £000	Net £000	Ownership %		Ownership %	Expenditure £000	Income £000	Net £000
233	(233)	0	27.30%	EM Major Crime	27.40%	252	(252)	0
621	(632)	(11)	27.30%	EM Legal Services	27.35%	708	(705)	3
8,809	(8,808)	1	27.30%	EM Serious Organised Crime	27.34%	10,368	(10,529)	(161)
5	0	5	27.30%	EM Occupational Health Unit	0.00%	0	0	0
491	(492)	(1)	31.42%	EM Learning & Development	31.53%	522	(521)	1
3,089	(3,079)	10	27.30%	EM Forensics	27.30%	3,372	(3,407)	(35)
4	(4)	0	22.60%	Emergency Services Network (ESN)	0.00%	0	0	0
13,252	(13,248)	4				15,222	(15,414)	(192)

The OPCC's does not have any Associate Entities in 2024/25.

10. DEFINED BENEFIT PENSION SCHEME

TRANSACTIONS RELATING TO RETIREMENT BENEFITS

2023-24		Defined Benefit Pension Scheme Comprehensive Income and Expenditure Statement	2024-25	
LGPS £000	Police £000		LGPS £000	Police £000
8,847	15,950	Current Service Cost	9,170	16,590
140	0	Admin Expense	157	0
191	(10)	Past Service Cost	90	0
0	0	(Gain) / loss from curtailments	0	0
283	92,740	Net interest expense / (income)	(485)	95,410
9,461	108,680	Total charged to (Surplus) and Deficit on Provision of Services	8,932	112,000
		Other post-employment benefits charged to the Comprehensive Income and Expenditure Account		
		Re-measurement of the net defined benefit liability comprising:		
(10,481)	0	Return on Assets less interest	3,956	0
1,573	23,410	Actuarial (gains) and losses - experience	129	630
(3,866)	0	Actuarial (gains) and losses arising on changes in demographic assumptions	(718)	(3,160)
(8,849)	(42,420)	Actuarial (gains) and losses arising on changes in financial assumptions	(50,692)	(229,480)
11,898	0	Asset Ceiling	49,024	0
0	0	Other Actuarial Gains/Losses	0	0
(264)	89,670	Total charged to the Comprehensive Income and Expenditure Statement	10,631	(120,010)

2023-24		Defined Benefit Pension Scheme Movement in Reserves Statement	2024-25	
LGPS £000	Police £000		LGPS £000	Police £000
(9,461)	(108,680)	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	(8,332)	(112,000)
9,353	0	Actual amount charged against the general fund balance for pensions in the year: Employers' contributions payable to scheme	10,754	0
0	72,120	Retirement benefits payable to pensioners	0	79,290

2023-24		Defined Benefit Pension Scheme Assets and Liabilities Recognised in the Balance Sheet	2024/25	
LGPS £000	Police £000		LGPS £000	Police £000
(301,041)	(2,039,580)	Present value of the defined obligation	(266,796)	(1,840,280)
312,125	0	Fair value of plan assets	327,627	0
11,084	(2,039,580)	Value of Assets / (Liabilities)	60,831	(1,840,280)
11,084	(2,039,580)	Net (liability) / asset arising from the defined benefit obligation	60,831	(1,840,280)
(11,898)	0	Effect of Asset Ceiling	(61,522)	0
(814)	(2,039,580)		(691)	(1,840,280)

The LGPS net asset / (liability) for the Chief Constable and OPCC is broken down as follows:

2023-24	LGPS Net Asset/(Liability) Breakdown	2024/25
£000		£000
(2,956)	Chief Constable	(691)
2,142	OPCC	0
(814)	Total	(691)

2023-24		Defined Benefit Pension Scheme Movement in the Fair Value of Scheme Assets	2024-25	
LGPS £000	Police Officer Pension Scheme £000		LGPS £000	Police Officer Pension Scheme £000
285,342	0	Opening fair value of scheme assets	312,125	0
13,760	0	Interest income	15,826	0
		Re-measurement gain / (loss):		
10,481	0	The return on plan assets, excluding the amount included in the net interest expense	(3,956)	0
9,353	72,120	Contributions from employer	10,754	79,290
3,283	12,560	Contributions from employees into the scheme	3,693	13,240
(9,954)	(84,680)	Benefits / transfers paid	(10,658)	(92,530)
0	0	Other actuarial gains(losses) on assets	0	0
(140)	0	Admin Expense	(157)	0
312,125	0	Closing value of scheme assets	327,627	0

The LGPS Movement in the Fair Value of Scheme Assets for the Chief Constable and OPCC is broken down as follows:

2023-24		LGPS Movement in the Fair Value of Scheme Assets Breakdown	2024/25	
OPCC £000	CC £000		OPCC £000	CC £000
4,911	280,431	Opening fair value of scheme assets	5,719	306,406
415	13,345	Interest income	293	15,533
		Re-measurement gain / (loss):		
316	10,165	The return on plan assets, excluding the amount included in the net interest expense	(69)	(3,887)
282	9,071	Contributions from employer	323	10,431
99	3,184	Contributions from employees into the scheme	131	3,562
(300)	(9,654)	Benefits / transfers paid	(39)	(10,619)
0	0	Other actuarial gains(losses) on assets	0	0
(4)	(136)	Admin Expense	(3)	(154)
5,719	306,406	Closing value of scheme assets	6,355	321,272

2023-24		Defined Benefit Pension Scheme Movements in the Present Value of Scheme Liabilities	2024-25	
LGPS £000	Police Officer Pension Scheme £000		LGPS £000	Police Officer Pension Scheme £000
(295,773)	(2,022,030)	Opening balance at 1 April	(301,041)	(2,039,580)
(8,847)	(15,950)	Current service cost	(9,170)	(16,590)
(14,043)	(92,740)	Interest cost	(14,741)	(95,410)
(3,283)	(12,560)	Contributions from scheme participants	(3,693)	(13,240)
0	0	Unusable Reserves	0	0
		Re-measurement gains and losses:		
(1,573)	(23,410)	- Actuarial gains / (losses) - experience	(129)	(630)
3,866	0	- Actuarial gains / (losses) from changes in demographic assumptions	718	3,160
8,849	42,420	- Actuarial gains / (losses) from changes in financial assumptions	50,692	229,480
(191)	10	Past service cost	(90)	0
9,954	84,680	Benefits / transfers paid	10,658	92,530
(301,041)	(2,039,580)	Balance as at 31 March	(266,796)	(1,840,280)

The LGPS Movement in the Present Value of Scheme Assets for the Chief Constable and OPCC is broken down as follows:

2023-24		LGPS Movement in the Present Value of Scheme Liabilities Breakdown	2024-25	
OPCC £000	CC £000		OPCC £000	CC £000
(3,060)	(292,713)	Opening balance at 1 April	(3,218)	(297,823)
(267)	(8,580)	Current service cost	(291)	(8,879)
(423)	(13,620)	Interest cost	(162)	(14,579)
(99)	(3,184)	Contributions from scheme participants	(131)	(3,562)
0	87	Unusable Reserves	0	89
		Re-measurement gains and losses:		
(47)	(1,526)	- Actuarial gains / (losses) - experience	(2)	(127)
117	3,749	- Actuarial gains / (losses) from changes in demographic assumptions	8	710
267	8,582	- Actuarial gains / (losses) from changes in financial assumptions	618	50,074
(6)	(185)	Past service cost	0	(90)
300	9,567	Benefits / transfers paid	39	10,530
(3,218)	(297,823)	Balance as at 31 March	(3,139)	(263,657)

The liabilities show the underlying commitments that the Group will eventually have for retirement benefits. The total liability of £1,841m (£2,040.4m in 2023/24) has a substantial impact on the net worth of the Balance Sheet. Statutory accounting arrangements to fund the deficit on the Police Pension Scheme neutralise the effect on taxpayers. Finance is only required when the pensions are actually paid.

The deficit on the local government scheme has been recovered by increased monetary contributions. The situation will be re-assessed based on the actuarial valuation report.

The total employer contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2025 are £10.8m (£9.4m in 2023/24, £7.7m in 2022/23) and £33.3m (£29.0m in 2023/24, £26.3m in 2022/23) respectively.

The expected return on scheme assets is determined by considering the expected returns available on the assets with the current investment policy:

- o Expected yields on fixed interest investments are based on gross.
- o 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.

PRINCIPAL ASSUMPTIONS

The actual return on scheme assets in the year was £11.9m (2023/24, £24.2m). The pension liability is sensitive to changes and the actuaries give an indication of this.

For the LGPS an increase of 0.1% on the discounting rate used decreases the pension liability by £4.5m and a decrease by the same amount increases the pension liability by £4.6m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £132m with a 0.5% decrease in the rate increasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2023-24	2024-25	2023-24	2024-25
Mortality assumptions				
Longevity at 65 retiring today				
Men	20.4 yrs	20.4 yrs	21.9 yrs	21.9 yrs
Women	23.3 yrs	23.3 yrs	23.6 yrs	23.9 yrs
Longevity at 65 retiring in 20 years				
Men	21.7 yrs	21.7 yrs	23.6 yrs	23.3 yrs
Women	24.7 yrs	24.7 yrs	25.1 yrs	25.2 yrs
Rate of inflation				
CPI increases	2.90%	2.85%	2.60%	2.70%
Rate of increase in salaries	3.90%	3.85%	3.85%	3.45%
Rate of increase in pensions	2.90%	2.85%	2.60%	2.70%
Rate for discounting scheme liabilities	4.95%	5.85%	4.75%	5.65%

LGPS ASSET BREAKDOWN

Value of LGPS Assets at Bid Value for the Group	2023-24 £000	2023-24 %	2024-25 £000	2024-25 %
Public Equities	188,757	60%	169,839	52%
Gilts	7,474	2%	27,206	8%
Other Bonds	15,484	5%	21,077	7%
Property	33,181	11%	33,585	10%
Cash/Temporary Investments	18,791	6%	17,842	6%
Inflation Plus	15,877	5%	22,664	7%
Infrastructure	22,565	7%	24,009	7%
Private Equities	9,995	3%	11,405	3%
	312,124	100%	327,627	100%
Value of LGPS Assets at Bid Value for the OPCC	2023-24 £000	2023-24 %	2024-25 £000	2024-25 %
Public Equities	3,459	60%	3,294	52%
Gilts	137	2%	528	8%
Other Bonds	284	5%	409	7%
Property	608	11%	651	10%
Cash/Temporary Investments	344	6%	346	6%
Inflation Plus	291	5%	440	7%
Infrastructure	413	7%	466	7%
Private Equities	183	3%	221	3%
	5,719	100%	6,355	100%

11. POLICE PENSION FUND ACCOUNTS

2023-24 £000	Pension Fund	2024-25 £000
	Contributions Receivable	
0	Employers Contributions 1987 Scheme	0
0	Employers Contributions 2006 Scheme	0
(28,519)	Employers Contributions 2015 Scheme	(34,660)
(404)	Additional Contributions for early retirements - all schemes	(1,133)
(42)	Members contributions 1987 Scheme	(2)
0	Members contributions 2006 Scheme	0
(12,365)	Members contributions 2015 Scheme	(13,259)
0	Pension Remedy Gross Cont Owed	(147)
0	Pension Remedy Interest	(10)
0	Transfer in 1987 Scheme	0
0	Transfer in 2006 Scheme	0
28	Transfer in 2015 Scheme	(8)
	Benefits Payable	
71,382	Pensions 1987 Scheme	76,662
106	Pensions 2006 Scheme	138
832	Pensions 2015 Scheme	937
7,678	Commutations and lump sum retirement benefits - all schemes	9,818
356	Annual Allowance Tax charge	465
	Payments to / on account of leavers	
57	Refund of contributions 2015 Scheme	60
0	Transfers out 1987 Scheme	0
0	Transfers out 2006 Scheme	0
0	Transfers out 2015 Scheme	0
39,109	Sub-total before transfer from the Commissioner of amount equal to the deficit	38,859
(39,109)	Transfer of Government Grant from the Commissioner to meet the deficit	(38,859)
0	Balance at 31 March	0

2023-24 £000	Pension Fund Net Asset Statement	2024-25 £000
	Current Assets	
0	Contributions Due From Employer	0
0	Other Assets	0
	Current Liabilities	
0	Unpaid Pension Benefits	0
0	Other Liabilities	0
0	Net Current Assets and Liabilities	0

This fund account relates solely to the Police Officer Pension Scheme.

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCOUNTING POLICIES

These are a set of rules and codes of practice used when preparing the accounts.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACT

The Police Reform and Social Responsibilities Act 2011.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because: Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or the actuarial assumptions have changed.

ASSET

An item having value to the PCC in monetary terms. Assets are categorised as either current or non-current.

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A non-current asset provides benefits to the PCC and to the services it provides for a period of more than one year and may be tangible e.g. a police station, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the PCC's financial affairs

BALANCE SHEET

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

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the PCC intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the disposal of land or other capital assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CODE

The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the PCC that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

CONSISTENCY

The concept that the accounting treatment of like items, within an accounting period and from one period to the next, are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the PCC's accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of uncertain future events not wholly within the PCC's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CREDITOR

Amount owed by the PCC for work done, goods received, or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the PCC for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of the accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the PCC's capital assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has not legal, contractual, or constructive obligation to award and are awarded under the PCC's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER BALANCE SHEET DATE

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

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the PCC will continue in operational existence for the foreseeable future.

INCREMENTAL BORROWING RATE

The rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

IFRS

International Financial Reporting Standards are developed by the International Accounting Standards Board (IASB) and regulate the preparation and presentation of Financial Statements. Any material departures from these Standards would be disclosed in the notes to the accounts.

GROUP

Nottinghamshire Office of the Police and Crime Commissioner and its Group.

IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. These are generally computer software licences.

INTEREST COSTS (PENSION)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

LESSEE

An authority that obtains the right to use an underlying asset for a period of time.

LESSOR

An authority that provides the right to use an underlying asset for a period of time.

LIABILITY

A liability is where the PCC owes payment to an individual or another organisation:

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

NON-OPERATIONAL ASSETS

Capital assets held by the PCC but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

NET BOOK VALUE

The amount at which non-current assets are included in the balance sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

OPERATIONAL ASSETS

Non-current assets held and occupied, used, or consumed by the PCC in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST COSTS (PENSIONS)

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

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the PCC.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measure during the projected unit method reflect the benefits that the employer is committed to provide for services up to the valuation date.

PEPPERCORN OR NOMINAL LEASE PAYMENTS

Leases for which lease payments are substantially below market value.

PRECEPT

The levy made by precepting authorities to billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the PCC. Some capital reserves such as the capital adjustment account cannot be used to meet current expenditure.

RETIREMENT BENEFITS

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

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE CAPITALISED UNDER STATUTE (REFCUS)

Expenditure which ordinarily would be revenue but is statutorily defined as capital. Examples of REFCUS include grants of a capital nature to voluntary organisations and back pay expenditure capitalised under Secretary of State Direction.

RIGHT-OF-USE ASSET

An asset that represents a lessee's right to use an underlying asset for the lease term.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

USEFUL ECONOMIC LIFE (UEL)

The period over which the PCC will derive benefits from the use of a fixed asset.