

Chief Constable for Devon & Cornwall Police



Statement of Accounts for the year ended 31 March 2025

Audited



Devon & Cornwall
POLICE

Chief Constable for Devon and Cornwall

The statutory officers of the Office of the Chief Constable and contact details are as follows:



Chief Constable
James Vaughan
From 13/12/2024



Chief Financial Officer to the Chief Constable
David Wilkin
From 30/09/2024

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Chief Constable for Devon and Cornwall

Statement of Accounts 2024/25

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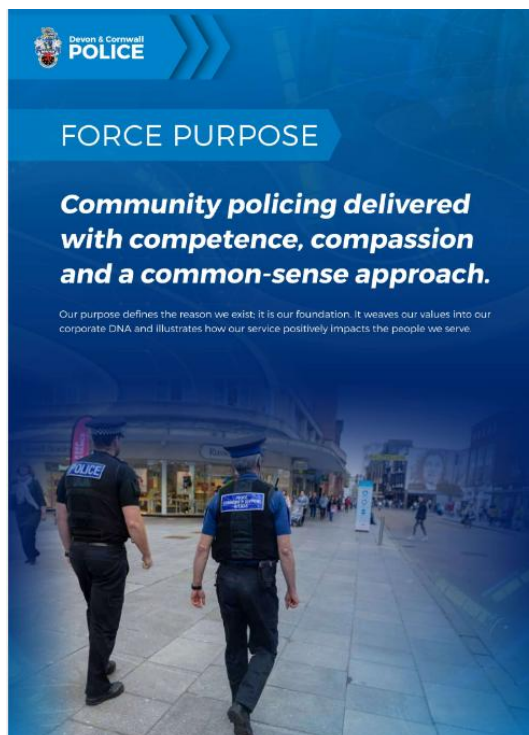
Accompanying Reports

Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer

1.0 INTRODUCTION

- 1.1 Welcome to the Chief Constable's Statement of Accounts for 2024/25. The statement of accounts report the income and expenditure on service provision for the year and the value of the Chief Constable's assets and liabilities at the end of the financial year. This is done in accordance with proper accounting practices as defined in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- 1.2 The Police and Crime Commissioner and the Chief Constable form an accounting group for reporting purposes. These accounts are the Chief Constable's single entity accounts. The single entity accounts for the Police and Crime Commissioner and the accounts for the Group are presented together in a separate [document](#). The Group accounts include the income and expenditure in this set of accounts, as well as the Police and Crime Commissioner's income and expenditure, a full Balance Sheet, details of reserves, and cashflow.
- 1.3 The aim of this narrative report is to provide an easily understandable explanation of the Chief Constable's financial performance in 2024/25 and its position at the end of the financial year.
- 1.4 The primary function of the Chief Constable is to provide an efficient and effective police service in Devon, Cornwall and the Isles of Scilly. The Force's mission is to prevent and detect harm; protect the vulnerable and reduce crime.
- 1.5 The Force purpose statement defines the reason we exist; it is our foundation. It weaves our values into our corporate DNA and illustrates how our service positively impacts the people we serve. The purpose will be delivered through the six objective areas underpinning it:
- Reducing the workload pressure across local policing to improve confidence and visibility
 - Improve our investigative quality, victim care and crime recording standards
 - Respond to contact from the public more quickly and effectively, with better triage, leading to enhanced service delivery
 - To develop a flexible and agile policing service to communities through an operationally competent workforce, without constraint or boundaries
 - Increase supervisory capacity and capability and develop a future proofed workforce plan which reflects projected demand and public need
 - Align our estate, fleet, and ICT objectives with public and organisational need



Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

2.0 RESOURCES AVAILABLE

- 2.1 The Police and Crime Commissioner for Devon and Cornwall allocates the majority of the available annual funding to the Chief Constable. In 2024/25, the allocation to the Chief Constable was £399.0m out of the total Police and Crime Commissioner funding of £406.5m.
- 2.2 The Chief Constable works with the Police and Crime Commissioner in agreeing a Medium Term Financial Strategy (MTFS), identifying budget requirement for the following year and for the subsequent three years.
- 2.3 The 2024/25 budget was set in the context of an increase of Police Grant funding of 1.9%, which included Devon and Cornwall's share of the uplift funds allocated nationally for the 20,000 additional officers; and the Police and Crime Commissioner's increase to the Council Tax precept of £12.94 (4.95%) for a band D property.
- 2.4 These increases resulted in a 2024/25 budget of £406.5m which was a funding increase of £22.1m from the 2023/24 budget of £384.4m. The table below shows how these additional funds were allocated:

Use of additional funding - 2024/25	£m	
Additional Funding: -		
Police Grant & Council Tax	22.1	
Specific Grant (Uplift & Pensions)	14.6	36.7
Use of Additional Funding: -		
Increases:		
Growth	1.4	
Regional Growth	1	2.4
Unavoidable Changes:		
Pay Inflation	20.5	
Other Pay Changes	10.7	
Inflation	1.2	
Non-Pay Costs	3.2	
Capital Funding	1.6	37.2
Change in use of reserves		2.9
Investment Interest		-0.1
Increased Income		-0.4
Savings		-5.3
		36.7

- 2.5 The 2024/25 budget also included funding and strategic investment for:
- Maintaining officer numbers at 3,610 by 31 March 2025
 - Public access to services and community visibility
 - Strengthen public protection through effective investigation
- 2.6 The 2024/25 budget also made a provision for a number of unavoidable costs such as pay inflation, increments and existing policy commitments.
- 2.7 Pay awards were budgeted at 3.0%, and inflation was applied on non-pay budgets only to areas subject to inflationary pressures. The Consumer Price Index (CPI) at November 2023 was 3.9%, a decrease of 6.7% when compared to 10.7% in November 2022; electricity and gas contracts are based on market prices and were expected to decrease, with other inflationary/contractual pressures assumed at 2%.

Narrative Report by David Wilkin, Chief Financial Officer Continued

3.0 2024/25 OUTCOMES

Uplift Officers

- 3.1 The government's three-year Uplift Programme was designed to deliver 20,000 additional police officers nationally by 31 March 2023; this was successfully achieved and provided Devon and Cornwall with 540 additional officers over the course of the programme taking the force to a total officer number of 3,610 FTE. This includes four officers within the Blue Light collaboration cohort.
- 3.2 The provisional finance settlement announced in December 2023 outlined the government's intention to maintain the increased officer levels, and the financial settlement for 2024/25 included a ringfenced grant of £9.983m to maintain the uplift headcount (3,655). Payment was subject to maintaining the increased headcount at 30 September 2024 and 31 March 2025.
- 3.3 Similar to previous financial year the government offered an incentive scheme to exceed headcount targets. The incentive scheme for 2024/25, allocated Devon and Cornwall a total of 24 officers over their target headcount. At 31 March 2025 the actual headcount was 3,686, which achieved 7 over the target.
- 3.4 The Force was able to achieve these additional posts partly as a result of the PCC's decision to fund officers in excess of the uplift target, funded through precept. This means that as these officers were already included within the budgeted FTE of 3,610 the additional headcount uplift does not take the establishment over the assumed position. The Force ended the year slightly below the budgeted position at 3,605, 5 FTE below the budgeted number.

Investment

- 3.5 The 2024/25 Medium Term Financial Strategy (MTFS) identified ongoing revenue investments of £1.385m. This supported:
 - The opening of a further four front offices across the Force by March 2025
 - Improving public confidence by reducing time taken to investigate complaints
 - Investments in NICHE support, coroners officers and Crime Standards unit

Savings

- 3.6 Savings of £1.591m were built into the 2024/25 budget to be achieved through courier contract re-tender, People Department, detention officers and Crime/Vulnerability. The majority of the savings have been achieved in 2024/25, with some minor adjustments needed to the 2025/26 savings plan to reflect unavoidable delays.

4.0 Actual Expenditure 2024/25

- 4.1 The Chief Constable spent £398.7m against the budget allocation of £399.0m, resulting in an underspend of £0.3m.
- 4.2 **Expenditure and Funding Analysis** shows how council tax and funding for the year has been used in providing services compared with resources consumed in accordance with generally accepted accounting practices.

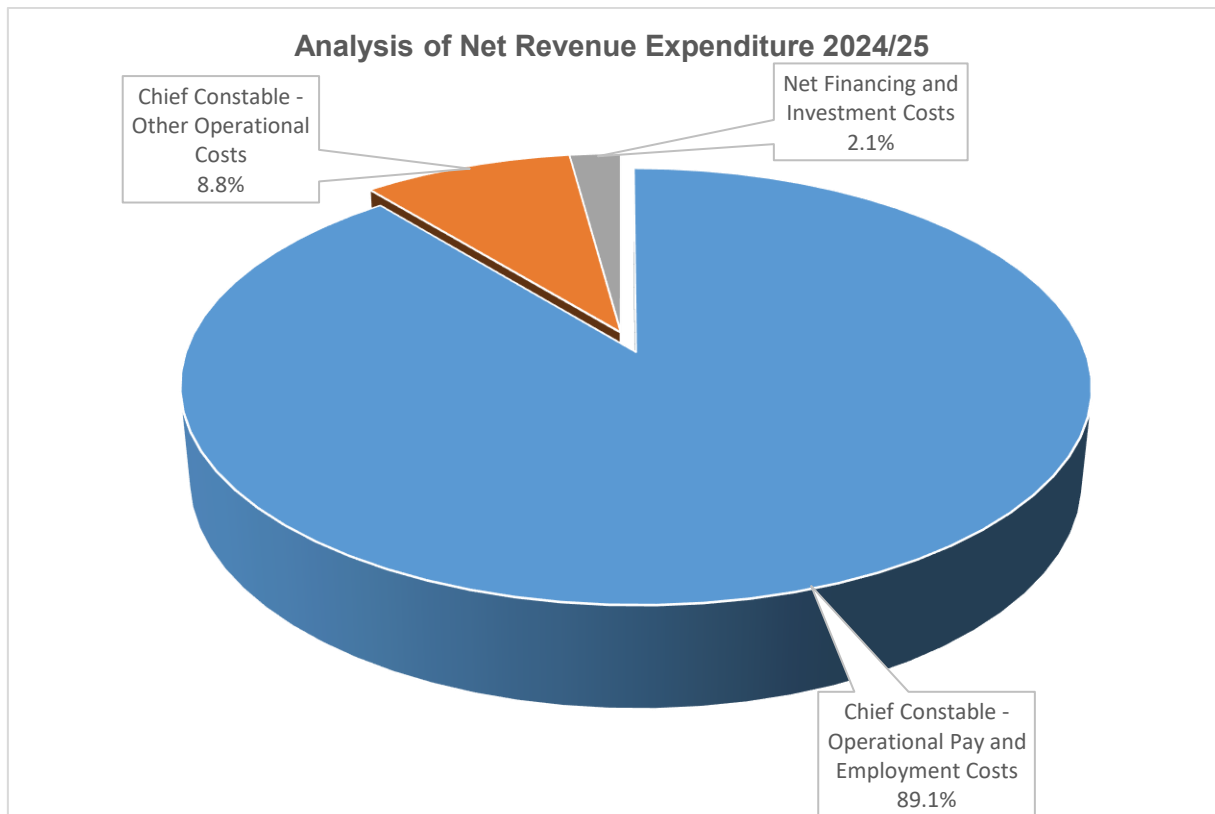
Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

The table below shows how the expenditure and funding analysis note and outturn relate to each other:

Reconciliation	2024/25
	£'000
Expenditure and Funding Analysis	
Net Cost of Services	399,206
Financing and Investment Income	(189)
Budget Allocation	399,017
Outturn	
Chief Constable	398,747
Underspend transferred to General Balances	270
Budget Allocation	399,017

4.3 The chart below shows a breakdown of total net revenue expenditure for 2024/25 by category of spend.



4.4 Although the budget for 2024/25 was set within the context of high inflation, with CPI reducing from 2.8% to 2.6% during the year. The pay award of 4.75% award was significantly above the budgeted level of 3%, with the cost of living, resourcing and supply chains still under extreme pressure. This level of inflation was higher than originally estimated when setting the budget. These pressures not only had a cash effect on the Force, but also affected the ability to deliver projects within timescales and on budget.

4.5 There were a number of over and underspends during the year; the most significant of which are detailed below:

- Police Officer overtime costs across all areas of the business continued to place pressure on the organisation, with costs exceeding budget by over £3m.

Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

- Reductions in Police Officer Pay are caused by a higher than budgeted level of leavers, lower than budgeted numbers in the pension scheme and unbudgeted income from the region and external projects.
- Staff Pay costs are offset by Improvement reserve funding for an agreed one-off investment in temporary agency staff and forfeitures income. Once applied the staff/ agency costs are underspent, mainly linked to vacancies.
- Pressures within non pay budgets include increased expenditure on the policing of dangerous dogs, legal costs, tasers, equipment purchases, hotel accommodation, Police National Computer (PNC) charges, additional Police Now recruitment, NPAS, vehicle repairs/parts and mileage claims.
- The Estates department saw reductions in planned maintenance costs and additional income over budget.
- ICT underspends were caused by the legal dispute between the Competitions and Markets Authority (CMA) and the supplier of police radio services concluding. The Court of Appeal has refused the supplier of police radio services permission to appeal the CMA findings that it was making supernormal profits from providing communications network services to the UK emergency services.
- Income increased due to interest rates resulting in higher than anticipated returns on investments and additional funds from grants, specifically the reimbursement of costs provided to support the modern slavery programme.

4.6 The availability of one-off surplus during 2021/22 enabled the force to support several investments totalling £2.1m, it took some time to make traction on a number of these projects and the residual balance had been ringfenced within the Budget Management Reserve. The majority of these investments were completed in prior years, with remaining commitments of £383.4k falling in 2024/25. The spend of £274k in 2024/25 has resulted in an underspend of £110k. It is considered all spending should now be complete.

4.7 After taking into account carry-forward requests of £0.282m the £0.262m underspend reduces to a small residual overspend of £0.020m, which was charged to General Balances.

5.0 CAPITAL PROGRAMME

5.1 The table below shows the Chief Constable's capital expenditure, and funding, during 2024/25. The majority of the assets relating to policing, most significantly buildings, are owned by the Police and Crime Commissioner. However certain items of equipment and ICT are considered to be under the ownership and control of the Chief Constable. Capital expenditure in this respect consists of an ongoing programme of rationalisation, replacement and enhancement of assets, all with an expected life of more than one year, and with a value in excess of £20k.

	£'000
<u>Capital Investment</u>	
Equipment and ICT	682
<u>Funded by</u>	
Delegation from the Police and Crime Commissioner	(682)

ICT and capital equipment across the Force area is replaced when necessary to ensure that officers and staff have the most appropriate access to technology and equipment to support them in their roles. The majority of ICT assets are reflected on the Police and Crime Commissioner's Balance Sheet. The capital purchases that fall under the Chief Constable are primarily equipment, including mobile data handsets, body worn video, and operational equipment.

Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

6.0 WORKFORCE RESOURCES

6.1 Workforce costs make up 86% of the annual expenditure of Devon and Cornwall Police.

6.2 Police Officers

31/03/24 Restated* (FTE)		31/03/25 (FTE)
3,610	Police Officers - Budgeted	3,610
3,615	Police Officers - Actual	3,605
5	(Under)/Over	(5)

*These figures have been restated to exclude four externally funded posts.

Police Officer numbers were maintained during the year in line with national uplift targets which were achieved at both 30 September and 31 March.

6.3 PCSO's

31/03/24 (FTE)		31/03/25 (FTE)
150	PCSO's - Budgeted	150
149	PCSO's - Actual	141
(1)	(Under)/Over	(9)

Recruitment campaigns during 2024/25 were undertaken which has meant the year end position of 141 FTE has been achieved, which is 9 FTE below budget.

6.4 Police Staff

The analysis of police staff numbers is made complex by the use of temporary and agency staff. In addition, the financial arrangements for the Alliance with Dorset Police mean some staff employed by one Force will be charged to another. For the purposes of this report, the numbers below reflect the FTE of police staff charged against the Chief Constable's accounts.

31/03/24 (FTE)		31/03/25 (FTE)
2,287	Police Staff - Actual	2,195

There was a net decrease in FTE during the year as a result of changes made within the MTFs, short term temporary funded posts, use of agency staff and posts funded by third parties.

7.0 PERFORMANCE

External Indicators

7.1 The principal independent financial indicators available to the Chief Constable and the Police and Crime Commissioner are as follows:

7.2 HMICFRS PEEL Report – His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) review each Force to examine their Efficiency, Effectiveness and Legitimacy. The most recent review was July 2024 The inspection looked at how well the Force performed in nine areas of policing, and gave graded judgements in eight of the nine, as follows:

Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Preventing crime	Police powers and public treatment	Managing offenders	Investigating crime
		Protecting vulnerable people	Leadership and force management	Responding to the public
		Developing a positive workplace		

On the 30 July 2025 His Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS) officially confirmed that the Force has been removed from the Engage phase, its enhanced phase of monitoring.

- 7.3 Auditor's Annual Report – External auditors provided a commentary on the arrangements in place to secure economy, efficiency and effectiveness in the use of resources for both the Police and Crime Commissioner and the Chief Constable for the year ending 31 March 2025. The Value for Money review did not identify any significant weaknesses.
- 7.4 The HMICFRS Value for Money Profile 2024 – this does not provide an opinion but states key financial and performance information of Devon and Cornwall Police in comparison to other Forces. The report did not indicate any significant outliers within Devon and Cornwall Police's information.

Force Demand

- 7.5 The total number of calls for service received are detailed in the table below.

No. of Contacts	2023/24	2024/25	% Change	Notes
Calls:-				
999	328,928	298,001	-9.4%	
101	444,078	443,489	-0.1%	This is the Integrated Voice Response system (IVR) figures as all 101 calls are processed through IVR.
Other incoming call lines	44,315	41,077	-7.3%	This includes; Bluelight, Alarms, vulnerable victims, X-Directory, FIM, Firearms, Press.
Interactions:-				
Emails	95,958	93,956	-2.1%	
Texts	501	363	-27.5%	
Webchats	5,435	0	-100.0%	
Total	919,215	876,886	-4.6%	

The data shows a 4.6% reduction across all categories. Webchats were disabled in summer 2023.

8.0 FUTURE FINANCIAL OUTLOOK

- 8.1 The Chief Constable and the Police and Crime Commissioner formally update and approve the MTFs annually during the budget setting process.

Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

- 8.2 Grant funding for 2025/26 was provided by the new government as a one-year settlement ahead of a comprehensive spending review due to report in June 2025. Excluding food and energy prices inflation rose by 2.3% in the year to November 2024. Electricity and gas contracts are based on market energy prices and are expected to decrease in 2025/26. The full year effect of the 2024/25 pay award must be accounted for in future years.
- 8.3 The government has permitted a maximum council tax increase of £14 for 2025/26 within its overall funding announcement, but even with this additional funding a gap remains.
- 8.4 2025/26 was only a one year funding settlement, the Force has considered a longer term, strategic approach to the workforce to protect and enhance service delivery and, critically, to maintain and enhance public confidence in policing; whilst enabling a balanced budget to be achieved.
- 8.5 The 2025/26 budget supports a structured financial approach to facilitate additional and sustainable resources to:
- Maintaining police officer numbers at 3,610
 - Support the neighbourhood policing guarantee (13,000 more staff nationally)
 - Provide additional investment to support complaint handling
 - Modernisation of ICT systems
- 8.6 Planning for beyond 2025/26 remains very challenging. There are a number of things which will impact on this planning, including:
- Future pay awards for officers and staff
 - Inflationary pressures, albeit at a lower level than in recent years
 - Staff turnover and, in particular, police officer leavers
 - CSR for 2026/27, how many years will this cover
 - Future council tax referendum principles
 - Impact of council tax premiums for second homes
 - Review of the police funding formula
 - Centrally driven ICT programmes such as the replacement of Airwave and the Police National Computer

9.0 GOVERNANCE ARRANGEMENTS

- 9.1 The Annual Governance Statement is published alongside this document. The joint Annual Governance Statement describes the internal control environment for the Police and Crime Commissioner and the Chief Constable. It also sets out the joint arrangements for managing risk for the Police and Crime Commissioner and the Chief Constable.

THE STATEMENT OF ACCOUNTS

A brief explanation of the purpose of each of the four primary statements is provided below:

Movement in Reserves Statement - shows the changes in the Chief Constable's financial resources over the year.

Summary Movement in Reserves	Movement	Change	Movement
	2023/24		2024/25
	£'000	£'000	£'000
Surplus or (Deficit) on the Provision of Services	(63,610)	(58,908)	(122,518)
Remeasurement of the net defined benefit (liability) asset	63,610	58,908	122,518
Total Usable Reserves	0	0	0

The significant change relates to the accounting adjustments for pensions. The accounting adjustments applied have been prepared in accordance with generally accepted accounting practices. They are reversed out of the Chief Constable movement in reserves statement via an intra-group adjustment and shown in the Police and Crime Commissioner accounts.

Chief Constable for Devon and Cornwall

Narrative Report by David Wilkin, Chief Financial Officer Continued

Comprehensive Income and Expenditure Statement - this statement shows the accounting cost in the year of providing services in accordance with accounting standards. This amount is different to the amount funded by taxation due to the accounting treatment of certain costs such as depreciation and pensions.

Summary Comprehensive Income and Expenditure Statement	Gross Expenditure	Gross Income	Net Expenditure
	2024/25	2024/25	2024/25
	£'000	£'000	£'000
Cost of Services	451,828	(68,299)	383,529
Pensions Top-Up Grant		(52,185)	(52,185)
Pensions Interest	145,605	(20,986)	124,619
Intra-Group Adjustments	(474,915)	141,470	(333,445)
(Surplus)/Deficit on Provision of Services	122,518	0	122,518
Remeasurement of the Pensions Net Defined Benefit Liability (Asset)	(122,518)	0	(122,518)
Total Comprehensive Income and Expenditure	0	0	0

The statement highlights that the expenditure is dominated by the net cost of providing services which is mainly the costs of policing. The other most significant cost is the pensions interest cost and remeasurement of the pension fund. These costs are calculated in accordance with generally accepted accounting practices and reflects the cost of the pensions at the time employees earn their retirement benefits even though the benefits will not actually be payable until employees retire.

Balance Sheet as at 31 March 2025 - shows how the resources available to the Chief Constable are held in the form of assets and liabilities.

Summary Balance Sheet	Balance as at	Balance as at	Movement
	31/03/2024	31/03/2025	
	£'000	£'000	£'000
Long Term Assets	2,616,225	2,541,194	(75,031)
Current Assets	76,583	68,997	(7,586)
Current Liabilities	(76,583)	(68,997)	7,586
Long Term Liabilities	(2,616,225)	(2,541,194)	75,031
Net Assets	0	0	0

Cash Flow Statement - shows how the movement in resources has been reflected in cash flows.

Summary Cash Flow Statement	Cash Flows	Cash Flows
	2023/24	2024/25
	£'000	£'000
Net (Surplus) or Deficit on the Provision of Services	63,610	122,518
(Increase)/Decrease in pensions liability	(63,610)	(122,518)
Net Cash (Inflows)/Outflows from Operating Activities	0	0

The notes to the financial statements include the accounting policies and give further information on the entries within the main statements as well as supplementary information. These are further supplemented by a glossary of terms.

David Wilkin BSc CPFA, Chief Financial Officer to the Chief Constable
17 December 2025

Further Information: This publication provides a review of the financial performance of the Chief Constable for 2024/25. It may be read in conjunction with the [Police and Crime Commissioner/Group Accounts](#) and the [Police and Crime Plan](#)

Chief Constable for Devon and Cornwall

Independent Auditor's Report to the Chief Constable for Devon, Cornwall and the Isles of Scilly

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of the Chief Constable for Devon & Cornwall (the 'Chief Constable') for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Police Officers' Pension Fund 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.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Chief Constable 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Chief Constable for Devon and Cornwall

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer's is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required 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.

We have nothing else to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, 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 Chief Constable 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 Chief Constable and the Chief Financial Officer

As explained more fully in the Statement of Responsibilities, the Chief Constable 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 Financial Officer. The Chief Financial 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 Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Chief Constable for Devon and Cornwall

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Chief Constable'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 Chief Constable without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003, the Policing and Crime Act 2017 and the Police Reform and Social Responsibility Act 2011. We also identified several additional regulatory frameworks namely, the Police Pension Fund Regulations 2007 the Police Pensions Regulations 2015, the Police Pensions Regulations 2006 and the Public Service Pensions Act 2013.
- We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit, in-house legal and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Journal entries posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement, and
 - Potential management bias in determining accounting estimates and judgements made in respect of the valuation of Police and Local Government Pension Scheme assets and liabilities in the Balance Sheet.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on with a focus on material journals posted after year end and other journals deemed unusual;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of the defined benefit pension scheme net liability; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement line items.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment,

Chief Constable for Devon and Cornwall

forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of controls and the significant accounting estimates related to the valuation of the defined benefit pension scheme net liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - The Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Matter on which we are required to report by exception – the Chief Constable'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 Chief Constable 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 Chief Constable

The Chief Constable 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 Chief Constable'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 Chief Constable 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 Chief Constable'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 Chief Constable plans and manages its resources to ensure it can continue to deliver its services;

Chief Constable for Devon and Cornwall

- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable 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 Chief Constable 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 The Chief Constable for Devon & Cornwall 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 Chief Constable, 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 Chief Constable those matters we are required to state to the Chief Constable 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 Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Grace Hawkins, Key Audit Partner

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

Date: 17 December 2025

Chief Constable for Devon and Cornwall

Statement of Responsibilities

The Chief Constable's Responsibilities

The Chief Constable is required to:

- make arrangements for the proper administration of the financial affairs of Devon and Cornwall Police and to secure that one of his officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer to the Chief Constable
- manage the affairs of Devon and Cornwall Police to secure economic, efficient and effective use of resources and to safeguard its assets
- approve the Statement of Accounts

Approval of the Accounts

I approve the Statement of Accounts.

James Vaughan
Chief Constable
17 December 2025

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Chief Constable's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC "Code of Practice on Local Authority Accounting in the United Kingdom 2024/25" (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Chief Financial Officer's Certificate

I certify that this Statement of Accounts for the year ended 31 March 2025 gives a true and fair view of the financial position of the Chief Constable for Devon and Cornwall at the reporting date and of the income and expenditure for the year ended 31 March 2025.

David Wilkin
Chief Financial Officer to the Chief Constable
17 December 2025



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Financial Statements

Chief Constable for Devon and Cornwall

Movement in Reserves Statement

This statement only shows the pension related transactions from the start of the year to the end of the year for 2023/24 and 2024/25 as all reserves are managed by the Police and Crime Commissioner. The financial consequences of the operational activities undertaken by the Chief Constable is shown in the Comprehensive Income and Expenditure Statement.

Current Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024		0	0	0	0	0	0	0
Movement in Reserves								
Surplus or (Deficit) on the Provision of Services		(122,518)	0	0	0	(122,518)	0	(122,518)
Remeasurement of the net defined benefit (liability) asset		122,518	0	0	0	122,518	0	122,518
Total Comprehensive Income and Expenditure		0	0	0	0	0	0	0
Balance at 31 March 2025		0	0	0	0	0	0	0

Comparative Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023		0	0	0	0	0	0	0
Movement in Reserves								
Surplus or (Deficit) on the Provision of Services		(63,610)	0	0	0	(63,610)	0	(63,610)
Remeasurement of the net defined benefit (liability) asset		63,610	0	0	0	63,610	0	63,610
Total Comprehensive Income and Expenditure		0	0	0	0	0	0	0
Balance at 31 March 2024		0	0	0	0	0	0	0

Chief Constable for Devon and Cornwall

Comprehensive Income and Expenditure Statement

This statement reflects the Police and Crime Commissioner's financial resources consumed by the Chief Constable for 2023/24 and 2024/25. In practice all the respective costs are paid for by the Police and Crime Commissioner. This Statement includes intra-group transactions resulting in a nil balance for Total Comprehensive Income and Expenditure.

2023/24				2024/25			Notes
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
430,781	(55,714)	375,067	Chief Constable	451,828	(68,299)	383,529	8
430,781	(55,714)	375,067	Cost of Services	451,828	(68,299)	383,529	
0	(52,573)	(52,573)	Pensions Top Up Grant	0	(52,185)	(52,185)	
(430,781)	108,287	(322,494)	Intra-Group Transaction	(451,828)	120,484	(331,344)	
0	0	0	Cost of Services Net of Pensions Top Up Grant	0	0	0	
Financing and Investment Income and Expenditure							
141,885	(18,610)	123,275	Pensions Interest	145,605	(20,986)	124,619	19
(141,885)	18,610	(123,275)	Pensions Interest - Intra-Group Transaction	(145,605)	20,986	(124,619)	
63,610	0	63,610	Remeasurement of the Net Defined Benefit Liability (Asset) - Intra-Group Transaction	122,518	0	122,518	19
63,610	0	63,610	(Surplus)/Deficit on Provision of Services	122,518	0	122,518	
<hr/>							
		(63,610)	Remeasurement of the Net Defined Benefit Liability (Asset)			(122,518)	
		(63,610)	Other Comprehensive Income and Expenditure			(122,518)	
		0	Total Comprehensive Income and Expenditure			0	

David Wilkin
 Chief Financial Officer to the Chief Constable
 17 December 2025

Chief Constable for Devon and Cornwall

Balance Sheet

The Chief Constable owns some long term assets and holds current assets and liabilities as well as long term liabilities which relate to employee benefits. The Chief Constable does not hold reserves. The intra-group transaction entries on the Balance Sheet represents the Police and Crime Commissioner's responsibility to provide funds to the Chief Constable over the long term.

31 March 2024		31 March 2025	Notes
£'000		£'000	
	Long Term Assets		
1,834	ICT and Equipment	1,936	9
2,614,391	Pensions Liabilities - Intra-Group Debtor	2,539,258	4
2,616,225	Total Long Term Assets	2,541,194	
	Current Assets		
32,435	Short Term Debtors	25,042	17
12,908	Accumulated Absences - Intra-Group Debtor	14,754	4
1,390	Provisions Intra-Group Debtor	586	4
29,850	Short Term Creditors - Intra-Group Debtor	28,615	4
76,583	Total Current Assets	68,997	
	Current Liabilities		
(32,435)	Short Term Debtors - Intra-Group Creditor	(25,042)	4
(12,908)	Accumulated Absences	(14,754)	11
(1,390)	Provisions	(586)	10
(29,850)	Short Term Creditors	(28,615)	18
(76,583)	Total Current Liabilities	(68,997)	
	Long Term Liabilities		
(2,614,391)	Pensions Liabilities	(2,539,258)	19
(1,834)	ICT and Equipment - Intra-Group Creditor	(1,936)	4
(2,616,225)	Total Long Term Liabilities	(2,541,194)	
0	Net Assets	0	

The unaudited accounts were issued on 24 June 2025, and the audited accounts were authorised for issue on the 17 December 2025.

David Wilkin
Chief Financial Officer to the Chief Constable
17 December 2025

Chief Constable for Devon and Cornwall

Cash Flow Statement

The surplus or deficit on the provision of services represents the transfer of funds from the Police and Crime Commissioner to cover the actuarial gains/losses arising from the pension's valuation shown against the increase/decrease in pensions liability line.

2023/24 £'000		2024/25 £'000
63,610	Net Surplus or (Deficit) on the Provision of Services	122,518
	Adjustments to net (Surplus) or Deficit on the Provision of Services for non-cash movements	
(63,610)	Increase/(Decrease) in pensions liability	(122,518)
<u>0</u>	Net Cash (Inflows)/Outflows from Operating Activities	<u>0</u>
<u>0</u>	Cash and Cash Equivalents at the end of the reporting period	<u>0</u>



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Notes to the Financial Statements

Chief Constable for Devon and Cornwall

Note 1 Accounting Policies

1. GENERAL PRINCIPLES

The statement of accounts summarises the Chief Constable's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Chief Constable is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

The accounting convention adopted in the statement of accounts is principally historical cost modified by the revaluation for certain categories of non-current assets and financial instruments. The financial statements have been prepared with due regard to the going concern principle.

2. ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in the Comprehensive Income and Expenditure Statement for the income that might not be collected

3. ACCOUNTING POLICY DEVELOPMENTS AND CHANGES

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

4. PRIOR PERIOD ADJUSTMENTS, ESTIMATES AND ERRORS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

5. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- 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 is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Chief Constable for Devon and Cornwall

Note 1 Accounting Policies Continued

Events taking place after the date of authorisation for issue of the audited accounts are not reflected in the statement of accounts.

6. CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence can only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

7. JOINT OPERATIONS

The Chief Constable participates in a number of partnership activities. These arrangements involve the Chief Constable carrying out activities relevant to their own functions jointly with others. The Chief Constable accounts for only its share of the jointly controlled assets; and for the liabilities, expenses and income that the Chief Constable incurs with respect to their interest in the partnerships.

8. OVERHEADS AND SUPPORT SERVICES

The cost of overheads and support services are charged to each area that falls under the Chief Constable for accountability and financial performance.

9. EMPLOYEE BENEFITS

9.1 Benefits Payable during Employment

Short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the 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 that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement in the Police and Crime Commissioner accounts to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

9.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an employee's employment before the normal retirement date. The amount is charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Chief Constable is demonstrably committed to the termination of the employment of an employee. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. These provisions are shown in the Chief Constable accounts and then offset via an intra-group adjustment.

In the Movement in Reserves Statement in the Police and Crime Commissioner accounts, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Chief Constable for Devon and Cornwall

Note 1 Accounting Policies Continued

9.3 Post-Employment Benefits

Up until 31 March 2022, employees of the Chief Constable were members of four separate pension schemes:

- The Police Officer 1987 Scheme (PPS)
- The Police Officer 2006 Scheme (NPPS)
- The Police Officer 2015 Scheme (CARE)
- The Local Government Pensions Scheme (CARE)

From 1 April 2022, employees of the Chief Constable were members of two separate pension schemes:

- The Police Officer 2015 Scheme (CARE)
- The Local Government Pensions Scheme (CARE)

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Chief Constable.

9.3.1 Police Officers' Pension Schemes

All Police Officers' Pension Schemes are accounted for as defined benefits schemes.

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

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all Police Schemes. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

9.3.2 The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme.

The liabilities of the Local Government Pension Scheme are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees. This liability is shown in the Chief Constable accounts and then offset via an intra-group adjustment.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of the past service liability. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

The assets of the Devon County Council pension fund attributable to the Chief Constable are included in the Balance Sheet at their fair value:

- | | | | |
|---|---------------------|---|-----------------------|
| • | quoted securities | - | current bid price |
| • | unquoted securities | - | professional estimate |
| • | unitised securities | - | current bid price |
| • | property | - | market value |

Note 1 Accounting Policies Continued

9.3.3 Net Pensions Liability Analysed

The change in the net pension's liability for the Pension Schemes is analysed into the following components:

Service cost comprising:

- current service cost - the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Chief Constable - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period and taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments

Remeasurements comprising:

- The return on plan assets excludes the amounts included in net interest on the net defined benefit liability (asset) which is charged to the pensions reserve in the Police and Crime Commissioner accounts as other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme.
- Actuarial gains and losses are changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These changes are charged to the pensions reserve in the Police and Crime Commissioner accounts as other Comprehensive Income and Expenditure.

Benefits paid (only applicable to the Police Officer Pension Schemes):

- cash paid to pensioners including injury pension payments

Contributions paid (only applicable to the Local Government Pension Scheme):

- cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

9.3.4 Police Officers' Injury Benefits

The Chief Constable makes payment under the Police Injury Benefits Regulations. These payments are accounted for in the same way as payments under the main police officers' pension schemes. The figures are included within the unfunded pension calculation as the injury benefits may be financially significant with volatile actuarial gains and losses. These have been estimated by the independent actuary.

9.3.5 Impact on Reserves in the Police and Crime Commissioner accounts

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner Group to the pension fund in the year, not the amount calculated according to the relevant accounting standards. These provisions are shown in the Chief Constable accounts and then offset via an intra-group adjustment. This intra-group adjustment is taken into the Police and Crime Commissioner accounts and included within the Movement in Reserves Statement. This allows transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Note 1 Accounting Policies Continued

9.4 Discretionary Benefits

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

10. PROVISIONS

Provisions are made where an event has taken place on or before the Balance Sheet date that gives the Chief Constable a legal or constructive present obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Chief Constable has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed (or reduced) and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that the reimbursement will be received if the Chief Constable settles the obligation.

A provision would be made for termination payments due to staff resulting from restructuring when the Chief Constable has raised a valid expectation to the staff affected that it will carry out restructuring by starting to implement a particular restructuring plan or announcing its main features to those affected by it. Each element of any Force restructuring plan will be treated separately, and provision made of the estimated termination payments as and when each element of the plan is announced.

11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

Assets that have physical substance and are held for use in the supply of services or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment. Assets that do not have physical substance and are held for use in the supply of services or for administrative purposes and that are expected to be used during more than one financial year are classified as intangible. Property, plant and equipment and intangible assets are accounted for in the Police and Crime Commissioner accounts with the exception of certain operational assets, which are set out in the Scheme of Consent. These operational assets are offset on the Balance Sheet by a long term liability representing the requirement that the Chief Constable pays for these assets over their operational life. The long term liability will be written down in line with the depreciation policy as set out in the note.

The expenditure within the Comprehensive Income and Expenditure Statement of the Chief Constable includes a charge for use of property, plant and equipment and intangible assets based on the fair value of the assets used by the Chief Constable to deliver a policing service. The accounting policies of the Group in relation to depreciation and amortisation are set out within the financial statements of the Police and Crime Commissioner.

11.1 Recognition

Expenditure on the acquisition, creation or enhancement is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Chief Constable for more than one year and the cost of the item can be measured reliably. 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.

Chief Constable for Devon and Cornwall

Note 1 Accounting Policies Continued

11.2 Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets are carried in the Balance Sheet using the following measurement bases:

- | | | |
|-----------------------------|---|-----------------------------|
| • ICT | - | depreciated historical cost |
| • Equipment | - | depreciated historical cost |
| • Assets under construction | - | historical cost |

11.3 Depreciation

Depreciation is provided for all ICT and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life and assets that are not yet available for use (i.e. asset under construction).

Depreciation is calculated on the following bases:

- Information and Communications Technology (ICT) – depreciation is charged monthly, using the straight-line allocation, from the first of the month of acquisition starting in the year of acquisition. The asset life of individual groups of assets has been assessed and each group is depreciated individually according to the asset life
- Equipment – these assets are given specific asset lives and are depreciated monthly, using the straight-line allocation

11.4 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet, (whether ICT and equipment) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written off value of disposals is not charged against council tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing as shown in the Police and Crime Commissioner Group accounts together with the amounts that are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

11.5 Impairment

An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the Comprehensive Income and Expenditure Statement.

12. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

13. EXCEPTIONAL ITEMS

When items of expenditure are outside the normal type of expenditure incurred by the Chief Constable they will be disclosed separately on the face of the Comprehensive Income and Expenditure Statement if they are material and separate disclosure would be made to aid the understanding of the Chief Constable's financial performance.

Chief Constable for Devon and Cornwall

Note 1 Accounting Policies Continued

14. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service

The Police and Crime Commissioner is not required to raise council tax to fund the depreciation and impairment losses that are charged against the Chief Constable's Comprehensive Income and Expenditure Statement. However, there is a requirement to make an annual contribution (minimum revenue provision) from revenue towards the reduction in the overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the Group in accordance with statutory guidance). Depreciation and impairment losses are therefore replaced by the contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two as shown in the Police and Crime Commissioner Group accounts.

15. COST AND INTRA-GROUP RECOGNITION

In practice, all income is received by the Police and Crime Commissioner and all expenditure is paid by the Police and Crime Commissioner from the Police Fund. No actual cash transactions or events take place between the two entities. From an accounting perspective, costs are recognised within the Chief Constable's accounts to reflect the financial resources consumed at the request of the Chief Constable. The income recognised in the Chief Constable's accounts is the income collected by the Police and Crime Commissioner on behalf of the Chief Constable.

Note 2 Accounting Standards Issued, Not Adopted

Appendix C of the CIPFA code requires Local Authorities to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. Standards that fall into this category that are relevant to the Chief Constable accounts are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- Changes to the measurement of non-investment assets include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

All of these standards will be incorporated in the Code from 2025/26. However, CIPFA has indicated that the amendments to IAS 21 will not have a significant impact on the amounts anticipated to be reported in the financial statements. With reference to the changes in measurement, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices. No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of the indexation will be.

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements in the Statement of Accounts are:

- The Police and Crime Commissioner Group has had to make judgements about the allocation of expenditure between the Police and Crime Commissioner and the Chief Constable. The basis adopted was arrived at after considering the CIPFA Service Reporting Code of Practice and the Police Reform and Social Responsibility Act. Further detail is shown in Note 4
- Estimation of the pension element of the provision is on the basis of apportionment of the total actuarially assessed liability for future pensions benefits for the Group between the two corporate bodies on the basis of current cashflows

Chief Constable for Devon and Cornwall

Note 3 Critical Judgements in Applying Accounting Policies Continued

- The use by the Chief Constable of leased assets held by the Police and Crime Commissioner has not been judged to represent a lease arrangement under IFRS 16 as:

There is no contract that gives rise to a lease; the provision of buildings and equipment by the Police and Crime Commissioner to the Chief Constable is more of a statutory requirement rather than a contractual arrangement.

Control of the assets resulting from lease arrangements sits under the Police and Crime Commissioner. The Police and Crime Commissioner makes decisions on buying and selling properties and other assets and entering and terminating lease contracts.

The ultimate benefits of the asset are obtained jointly by the Police and Crime Commissioner and Chief Constable.

Note 4 The Chief Constable as an Accounting Entity

The Chief Constable is part of an accounting group along with the Police and Crime Commissioner (referred to as the Police and Crime Commissioner Group). The accounting recognition of the Group's assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice.

The Police and Crime Commissioner receives all government funding and income, and the Chief Constable does not hold any cash or reserves. When the Police and Crime Commissioner's resources are consumed at the request of the Chief Constable all payments are made by the Police and Crime Commissioner from the Police Fund and no cash movements occur between the two bodies.

A long term debtor has been established in the Chief Constable's Balance Sheet to reflect the continuing requirement on an elected policing body, as required under the Police Reform and Social Responsibility Act 2011, for the Police and Crime Commissioner to provide funds to the Chief Constable for the payment of assets and liabilities. Should the Police and Crime Commissioner be required to settle future liabilities, there is no long-term expectation that the Home Office will provide this funding. Similarly, the Chief Constable could not be expected to fund the liability as the Chief Constable (the current grant arrangements notwithstanding) has no assets, cash reserves, income receipts or other sources of funding. It is reasonable to expect that should the Police and Crime Commissioner Group be required to settle future liabilities (however unlikely this may be), then settlement would result in an outflow of resources from the Police and Crime Commissioner.

For accounting and regulatory purposes, the Police and Crime Commissioner and the Chief Constable are classed as Local Authorities and are covered by the CIPFA Code of Practice for Local Authority Accounting 2024/25.

The financial consequences of the activity under the control of the Chief Constable are shown in these accounts. As the Chief Constable does not hold reserves, the Comprehensive Income and Expenditure Statement shows the gross cost of policing which is offset by intra-group adjustments to reflect the payments and accruals made by the Police and Crime Commissioner at the request of the Chief Constable. The result of these adjustments is that the Chief Constable has a nil balance on his General Fund. The intra-group adjustments are mirrored in the Police and Crime Commissioner's Accounts. The intra-group transactions are summarised in the table below.

All of the assets and liabilities and reserves of the Police and Crime Commissioner Group with the following exceptions are recognised on the Police and Crime Commissioner's Balance Sheet. The exceptions are:

- Employment liabilities for officers and staff under the direction of the Chief Constable are recognised on the Chief Constable's Balance Sheet. The liability in the Chief Constable's Balance Sheet for these items is offset by a long term debtor reflecting the Police and Crime Commissioner's responsibility to provide funds from the Police Fund each year to enable the Chief Constable to administer the police pensions
- Certain categories of long term and current assets are shown on the Chief Constable's Balance Sheet. These assets are offset in the Balance Sheet by a long term and short term creditor respectively
- Certain categories of current liabilities are shown on the Chief Constable's Balance Sheet. These liabilities are offset in the Balance Sheet by a short term debtor

Chief Constable for Devon and Cornwall

Note 4 The Chief Constable as an Accounting Entity Continued

Intra-Group Transactions	2023/24		2024/25	
	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
Comprehensive Income and Expenditure Statements				
Cost of Services	(375,067)	375,067	(383,529)	383,529
Pensions Top Up Grant	52,573	(52,573)	52,185	(52,185)
Net Cost of Policing	(322,494)	322,494	(331,344)	331,344
Pensions Interest Cost - Intra-Group Transaction	(123,275)	123,275	(124,619)	124,619
Actuarial (Gains)/Losses on Pensions Funds - Intra-Group Transaction	63,610	(63,610)	122,518	(122,518)
Balance Sheet				
Long Term Assets/Liabilities				
Pensions Liabilities	(2,614,391)	0	(2,539,258)	0
Pensions Liabilities - Intra-Group Debtor	2,614,391	0	2,539,258	0
Pensions Liabilities - Intra-Group Creditor	0	(2,614,391)	0	(2,539,258)
ICT and Equipment Assets	1,834	0	1,936	0
ICT and Equipment - Intra-Group Creditor	(1,834)	0	(1,936)	0
ICT and Equipment - Intra-Group Debtor	0	1,834	0	1,936
Current Assets/Liabilities				
Current Liabilities	(44,148)	0	(43,955)	0
Current Liabilities - Intra-Group Debtors	44,148	0	43,955	0
Current Liabilities - Intra-Group Creditors	0	(44,148)	0	(43,955)
Current Assets	32,435	0	25,042	0
Current Assets - Intra-Group Creditors	(32,435)	0	(25,042)	0
Current Assets - Intra-Group Debtors	0	32,435	0	25,042
Unusable Reserves				
Intra-Group Transactions	0	(2,624,270)	0	(2,556,235)

When the Balance Sheets for the two corporate bodies are consolidated into the Group Balance Sheet these intra-group transactions are eliminated.

Note 5 Events after the Reporting Period

The audited Statement of Accounts were authorised for issue on 17 December 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On the 13 November 2025, the government outlined plans to abolish the role of the Police and Crime Commissioner with effect from May 2028. Limited detail is available at this stage. There is nothing in the announcement that would have any bearing on this set of financial statements, or impact on the going concern principle.

Note 6 Assumptions Made about the Future and Other Major Sources of Estimation and Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Police and Crime Commissioner Group about the future or that are otherwise uncertain. Estimates are made by taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The item in the Chief Constable's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

6.1 Pensions Liability

Uncertainties

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.

Valuation Assumption

The standard assumptions recommended by the actuaries have been considered and approved for use in the valuing of the pension liabilities. This year an accounting surplus has been calculated and therefore additional assumptions have been recommended in order to establish the net defined benefit value. These additional assumptions have also been approved. All assumptions are set out in the Defined Benefit Pension Schemes Note.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes are closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sargeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

Settlement and curtailment events are assumed to be material and are remeasured using current assumptions and the fair value of plan assets at the time of the event.

Effect if Actual Results Differ from Assumptions

The effects on the net pension's liability of changes in individual assumptions are shown in the Defined Benefit Pension Schemes Note.

Chief Constable for Devon and Cornwall

Note 7 Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used by the Chief Constable. All costs are paid for by the Police and Crime Commissioner which is funded from government grants, council tax and other income. The Police and Crime Commissioner meets the Chief Constable's expenditure in full by an intra-group transaction. There is no net expenditure chargeable to the General Fund.

2024/25									
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Intra-Group Adjustments	Net Expenditure in the CIES	Intra-Group Adjustments			Total
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	
						(Note 7.1)	(Note 7.2)	(Note 7.3)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Constable	399,206	5,536	404,742	(21,213)	383,529	2,053	(25,045)	1,779	(21,213)
Cost of Services	399,206	5,536	404,742	(21,213)	383,529	2,053	(25,045)	1,779	(21,213)
Pension Top Up Grant	0	0	0	(52,185)	(52,185)	0	(52,185)	0	(52,185)
Intra-Group Transaction	(399,206)	(5,536)	(404,742)	73,398	(331,344)	(2,053)	77,230	(1,779)	73,398
Cost of Services Net of Pensions Top Up Grant	0	0	0	0	0	0	0	0	0
Pensions Interest	0	0	0	124,619	124,619	0	124,619	0	124,619
Pensions Interest - Intra-Group Transaction	0	0	0	(124,619)	(124,619)	0	(124,619)	0	(124,619)
Actuarial (Gains)/Losses on Pension Funds - Intra-Group Transaction	0	0	0	122,518	122,518	0	122,518	0	122,518
(Surplus)/Deficit on the Provision of Services	0	0	0	122,518	122,518	0	122,518	0	122,518

Chief Constable for Devon and Cornwall

Note 7 Expenditure and Funding Analysis Continued

2023/24									
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Intra-Group Adjustments	Net Expenditure in the CIES	Intra-Group Adjustments			
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total
						(Note 7.1)	(Note 7.2)	(Note 7.3)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Constable	378,186	12,625	390,811	(15,744)	375,067	9,420	(17,429)	(7,735)	(15,744)
Cost of Services	378,186	12,625	390,811	(15,744)	375,067	9,420	(17,429)	(7,735)	(15,744)
Pension Top Up Grant	0	0	0	(52,573)	(52,573)	0	(52,573)	0	(52,573)
Intra-Group Transaction	(378,186)	(12,625)	(390,811)	68,317	(322,494)	(9,420)	70,002	7,735	68,317
Cost of Services Net of Pensions Top Up Grant	0	0	0	0	0	0	0	0	0
Pensions Interest	0	0	0	123,275	123,275	0	123,275	0	123,275
Pensions Interest - Intra-Group Transaction	0	0	0	(123,275)	(123,275)	0	(123,275)	0	(123,275)
Actuarial (Gains)/Losses on Pension Funds - Intra-Group Transaction	0	0	0	63,610	63,610	0	63,610	0	63,610
(Surplus)/Deficit on the Provision of Services	0	0	0	63,610	63,610	0	63,610	0	63,610

Chief Constable for Devon and Cornwall

Note 7 Expenditure and Funding Analysis Continued

7.1 Adjustment for Capital Purposes

This column deducts the depreciation, minimum revenue provision, finance lease and revenue contributions from the cost of the Chief Constable's services and are then offset via an intra-group adjustment.

7.2 Net Change for Pensions' Adjustments

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

- **For services** – this represents the removal of the employer pension contributions made by the Group on behalf of the Chief Constable as allowed by statute and the replacement with current service costs and past service costs
- **For financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement

These contributions and charges are shown in the Chief Constable accounts and then offset via an intra-group adjustment.

7.3 Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and the amounts payable/receivable such as accumulated absences are recognised in the Chief Constable accounts and then offset via an intra-group adjustment.

7.4 Chief Constable Outturn

The Chief Constable reported outturn is the sum of the amount disclosed against the Chief Constable line plus interest payable and interest and investment income. In the Statement of Accounts, the interest payable and interest and investment income is under the control of the Police and Crime Commissioner and shown under the category financing and investment income and expenditure.

Note 8 Expenditure and Income Analysed by Nature

The Chief Constable's expenditure and income is analysed as follows:

2023/24	Expenditure/Income	2024/25
£'000		£'000
	Expenditure	
334,246	Employee benefit expenses	355,118
80,127	Other service expenses	83,073
16,408	Depreciation and impairment	13,637
430,781	Total Expenditure	451,828
	Income	
(21,975)	Fees, charges and other service income	(24,745)
(33,739)	Government grants and contributions	(43,554)
(52,573)	Pension top up grant	(52,185)
(108,287)	Total Income	(120,484)
	Cost of Services including the Pension Top Up Grant and excluding the Intra-Group Transaction	
322,494		331,344

All government funding and income is received by the Police and Crime Commissioner. When resources are consumed at the request of the Chief Constable all payments are made by the Police and Crime Commissioner from the Police Fund and no cash movements occur between the two bodies.

Chief Constable for Devon and Cornwall

Note 9 ICT and Equipment

This table sets out the ICT and Equipment held by the Chief Constable.

31 March 2024			Movements	31 March 2025		
Operational Assets ICT and Equipment	Assets Under Construction ICT and Equipment	Total		Operational Assets ICT and Equipment	Assets Under Construction ICT and Equipment	Total
£'000	£'000	£'000	Cost	£'000	£'000	£'000
8,179	0	8,179	Balance at 1 April	8,029	11	8,040
625	11	636	Additions	623	59	682
(775)	0	(775)	Disposals	(5,022)	0	(5,022)
0	0	0	Reclassification	70	(70)	0
8,029	11	8,040	Balance at 31 March	3,700	0	3,700
Accumulated Depreciation						
(5,670)	0	(5,670)	Balance at 1 April	(6,206)	0	(6,206)
(1,311)	0	(1,311)	Depreciation Charge	(580)	0	(580)
775	0	775	Disposals	5,022	0	5,022
(6,206)	0	(6,206)	Balance at 31 March	(1,764)	0	(1,764)
Net Book Value						
2,509	0	2,509	Balance at 31 March 2023	0	0	0
1,823	11	1,834	Balance at 31 March 2024	1,823	11	1,834
0	0	0	Balance at 31 March 2025	1,936	0	1,936

9.1 Recognition

Expenditure on an individual item or a project or programme of work is capitalised when the following de-minimis level is met:-

- ICT £20k
- Equipment £20k

9.2 Depreciation

A review of asset lives has taken place in 2024/25 and the useful life for some assets has been amended. The following useful lives and approaches to depreciation have been used to calculate depreciation charges:

9.2.1 Information and Communications Technology (ICT)

Classes of ICT assets are given specific asset lives. These are within the range 1-8 years. ICT assets are depreciated monthly over the forecast useful life of the asset.

9.2.2 Equipment

Equipment assets are given specific asset lives that are within the range 1-7 years. These assets are depreciated monthly over the forecast useful life of the asset.

Chief Constable for Devon and Cornwall

Note 9 ICT and Equipment Continued

9.3 Asset Transfers

There were no assets transferred from the Police and Crime Commissioner to the Chief Constable in 2024/25.

9.4 Componentisation

Component assets are recognised separately from the main asset that they are associated with when the value of the component is more than 20% and greater than £2.5m of the main asset value. No assets have met the criteria in 2024/25.

9.5 Derecognition

An annual review of assets classed as ICT and Equipment on the asset register has been undertaken which has resulted in derecognition of a number of assets that have reached the end of their useful lives or which have been disposed.

9.6 Impairment

No assets were identified as being impaired in 2024/25.

Note 10 Provisions

2024/25	Remuneration £'000	Other £'000	Total £'000
Current Liabilities			
Balance at 1 April 2024	(1,390)	0	(1,390)
Additional provisions made	(56)	0	(56)
Amounts used / reversed / change in reserve	860	0	860
Balance at 31 March 2025	(586)	0	(586)
2023/24			
Current Liabilities			
Balance at 1 April 2023	(461)	(22)	(483)
Additional provisions made	(1,160)	0	(1,160)
Amounts used / reversed / change in reserve	231	22	253
Balance at 31 March 2024	(1,390)	0	(1,390)

10.1 Remuneration Provision

10.1.1 Contractual pay claims

The current level of the provision is estimated to be sufficient to meet known claims. These payments are expected to be made in 2025/26.

10.1.2 Employment termination benefits

Judgements are applied in determining the level of the employment tribunal provision.

Chief Constable for Devon and Cornwall

Note 11 Accumulated Absences

The Chief Constable provides benefits to employees in the form of annual leave. In addition, staff who work hours in excess of their contract hours may be awarded time off in lieu. These are accumulating absences that may be carried forward for use in future periods. The obligation to make future payments is recognised in the Comprehensive Income and Expenditure Statement and is a liability on the Chief Constable's Balance Sheet as follows:

2023/24 £'000		2024/25 £'000
(11,645)	Balance at 1 April	(12,908)
11,645	Settlement or cancellation of accrual made at the end of the preceding year	12,908
(12,908)	Amounts accrued at the end of the current year	(14,754)
(1,263)	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	(1,846)
(12,908)	Balance at 31 March	(14,754)

Note 12 External Audit Costs

The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts:

2023/24 £'000		2024/25 £'000
56	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	63
5	Additional fees in relation to regulation changes and expert advice	0
61	As per the audit plan	63
0	Estimated fees payable to external auditors with regard to external audit services carried out by the appointed auditor for prior years	0
61	Total	63

Chief Constable for Devon and Cornwall

Note 13 Officers' Remuneration

13.1 Remuneration

This note shows the officer remuneration costs for officers and staff employed by the Chief Constable above the rank of Superintendent and the staff equivalent.

2024/25	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses Allowances £	Benefits in Kind £	Total Remuneration excl Pension Contributions £	Employers Pension Contributions £	Total Remuneration incl Pension Contributions £
Chief Constable							
Salary £150,000 plus per year							
Chief Constable - William Kerr		211,766	0	0	211,766	0	211,766
Interim Chief Constable - James Vaughan from 13/12/24		59,263	8,901	0	68,164	0	68,164
Acting Chief Constable to 21/01/25 and Deputy Chief Constable from 22/01/25 - James Colwell		196,621	94	0	196,715	56,138	252,853
Temporary Deputy Chief Constable - David Thorne		169,770	0	0	169,770	56,138	225,908
Salary £50,000 to £149,999 per year							
Assistant Chief Constable		136,838	0	10,740	147,578	47,016	194,594
Assistant Chief Constable to 30/06/24		40,737	0	0	40,737	11,437	52,174
Assistant Chief Constable		143,931	0	0	143,931	47,016	190,947
Assistant Chief Constable		143,931	0	0	143,931	47,016	190,947
Assistant Chief Constable from 03/06/24		125,295	0	0	125,295	38,066	163,361
Assistant Chief Constable from 09/09/24 to 02/03/25		113,805	0	0	113,805	37,610	151,415
Assistant Chief Officer - People		137,272	4,467	0	141,739	23,915	165,654
Director of Legal Services	1	137,272	4,467	0	141,739	23,915	165,654
Chief Financial Officer (Director of Finance and Resources) to 20/05/24		18,352	612	0	18,964	3,190	22,154
Chief Financial Officer (Director of Finance and Resources) from 30/09/24		70,243	58,832	8,000	137,075	12,255	149,330
Assistant Chief Constable 15/07/24 to 03/11/24, Assistant Chief Constable - Seconded to British Transport Police from 04/11/24	2	115,943	0	0	115,943	38,066	154,009

With effect from 1 April 2024, the officer remuneration note will only show the Chief Constable, and senior employees and officers that have power to direct or control major activities as set out in the CIPFA code.

Chief Constable for Devon and Cornwall

Note 13 Officers' Remuneration Continued

2023/24	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses and Allowances £	Benefits in Kind £	Total Remuneration excl Pension Contributions £	Employers Pension Contributions £	Total Remuneration incl Pension Contributions £
<u>Chief Constable</u>							
<u>Salary £150,000 plus per year</u>							
Chief Constable - William Kerr		197,176	736	0	197,912	0	197,912
Deputy Chief Constable to 25/07/23 and Acting Chief Constable from 26/07/23 - James Colwell		180,092	0	0	180,092	45,948	226,040
Assistant Chief Constable to 27/07/23 and Deputy Chief Constable from 28/07/23 - David Thorne		151,654	0	0	151,654	43,820	195,474
<u>Salary £50,000 to £149,999 per year</u>							
Assistant Chief Constable until 16/08/23		52,795	0	0	52,795	14,131	66,926
Assistant Chief Constable until 05/05/23		14,216	0	0	14,216	3,634	17,850
Assistant Chief Constable		129,715	0	10,300	140,015	39,081	179,096
Assistant Chief Constable		133,426	0	0	133,426	38,169	171,595
Chief Superintendent to 27/07/23 and Assistant Chief Constable from 28/07/23		127,227	0	0	127,227	36,034	163,261
Assistant Chief Constable		134,608	0	0	134,608	38,536	173,144
Assistant Chief Officer - People		130,065	4,467	0	134,532	22,636	157,168
Director of Legal Services	1	130,065	4,467	0	134,532	22,636	157,168
Chief Financial Officer (Director of Finance and Resources)		130,065	4,467	0	134,532	22,636	157,168
Chief Superintendent from 10/07/23		68,535	0	0	68,535	21,121	89,656
Chief Superintendent		97,105	0	0	97,105	29,389	126,494
Detective Chief Superintendent from 10/07/23		70,400	0	0	70,400	21,617	92,017
Chief Superintendent		100,774	0	41	100,815	30,766	131,581
Chief Superintendent		100,561	0	0	100,561	30,766	131,327
Chief Superintendent		101,578	0	0	101,578	30,766	132,344
Chief Superintendent - Seconded to Met until 18/01/24, back to Force 19/01/24	2	103,009	0	0	103,009	30,766	133,775
Chief Superintendent		98,265	2,500	0	100,765	29,548	130,313
Chief Superintendent		101,127	0	0	101,127	30,766	131,893
Chief Superintendent		100,792	0	0	100,792	30,766	131,558
Chief Superintendent		97,350	0	0	97,350	29,389	126,739
Chief Superintendent		95,757	0	0	95,757	29,548	125,305
Chief Superintendent - Seconded to Police Superintendents' Association from 12/03/24 to 15/03/24	3	989	0	0	989	302	1,291

Chief Constable for Devon and Cornwall

Note 13 Officers' Remuneration Continued

13.1 Notes

2024/25

1. The Director of Legal Services provides a service to Devon and Cornwall Police and Dorset Police. The contract of employment is with Devon and Cornwall Police and for this reason the remuneration disclosure is made in the Statement of Accounts for Devon and Cornwall Police. Dorset Police meets a proportion of the costs of this post.
2. The costs of the officer seconded to the British Transport Police have been met by the British Transport Police.

2023/24

1. The Director of Legal Services provides a service to Devon and Cornwall Police and Dorset Police. The contract of employment is with Devon and Cornwall Police and for this reason the remuneration disclosure is made in the Statement of Accounts for Devon and Cornwall Police. Dorset Police meets a proportion of the costs of this post.
2. The costs of the Chief Superintendent seconded to the Metropolitan Police have been met by the Metropolitan Police.
3. The costs of the Chief Superintendent seconded to the Police Superintendents' Association have been met by the Police Superintendents' Association.

13.2 Termination Costs

The total termination costs (exit costs) shown in the table below are the payments made to individuals plus payments to recompense the pension fund for the strain calculated on an actuarial basis in 2023/24 and 2024/25. They relate to staff employed by the Chief Constable. The costs charged in the Comprehensive Income and Expenditure Statement include adjustments for the sharing of cost with Dorset Police. The adjustments are set out in the table below:

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		
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £'000	2024/25 £'000	
£0 – £20,000	0	2	8	9	8	11	20	56	
£20,001 - £40,000	0	1	0	1	0	2	0	57	
£40,001 - £60,000	0	0	0	0	0	0	0	0	
£60,001 - £80,000	0	2	0	1	0	3	0	205	
£120,001- £160,000	0	1	0	0	0	1	0	120	
£160,001- £180,000	0	0	1	0	1	0	160	0	
Total included in bandings and in CIES	0	6	9	11	9	17	180	438	
Adjustments to reflect costs charged in Comprehensive Income and Expenditure Statement									
Redundancy cost recharged to Dorset Police as part of Strategic Alliance agreement							0	(72)	
Redundancy cost recharged from Dorset Police as part of Strategic Alliance agreement							4	47	
Exit Costs charged to the Comprehensive Income and Expenditure Statement							184	413	

Chief Constable for Devon and Cornwall

Note 13 Officers' Remuneration Continued

13.3 Remuneration Bands

The figures presented below do not include the remuneration of the senior employees and relevant police officers as they have been disclosed separately but do include other police staff and police officers' remuneration.

2023/24		2024/25
Number of employees	Remuneration Band	Number of employees
600	£50,000 - £54,999	721
374	£55,000 - £59,999	445
289	£60,000 - £64,999	325
75	£65,000 - £69,999	191
27	£70,000 - £74,999	59
31	£75,000 - £79,999	30
7	£80,000 - £84,999	17
7	£85,000 - £89,999	15
11	£90,000 - £94,999	8
1	£95,000 - £99,999	7
1	£100,000 - £104,999	3
1	£105,000 - £109,999	5
0	£110,000 - £114,999	4
1	£180,000 - £184,999	0
1,425	Total	1,830

13.3.1 Notes

- The above table does not include staff and officers paid below £50,000 who make up approximately 73% of the workforce
- Pay scales for police officers are set nationally
- There has been an increase in the number of employees receiving above £50,000. This is mainly due to being in receipt of a pay award during 2024/25

Note 14 Related Party Transactions, Partnerships and Collaborations

14.1 Related Party Transactions

The Chief Constable is required to disclose material transactions with related parties, including the Police and Crime Commissioner, central government, other local authorities, members, senior officers and their close families. At present all transactions are managed through the Police and Crime Commissioner's Fund Account and are reported in the Group accounts. For this reason, the Chief Constable does not have any transactions with external bodies. Details of the related parties in terms of transactions undertaken at the request of the Chief Constable are as follows:

14.1.1 Officers

The Chief Executive of the Office of the Police and Crime Commissioner has written to all senior officers explaining the need for disclosure.

The Assistant Chief Officer (People) is a non-executive director on the College of Policing Board. The Board position is reserved for a member of police staff and no remuneration is received.

The Assistant Chief Constable for Local Policing and Partnerships is the Chair for the Board of Trustees of Surf Live Saving GB. This organisation is a national surf lifesaving charity which Devon and Cornwall Police have a contract with. The contract is for the development and delivery of a water safety training package. The Assistant Chief Constable was not involved in the negotiations of the contract.

Chief Constable for Devon and Cornwall

Note 14 Related Party Transactions, Partnerships and Collaborations Continued

14.2 Partnerships

14.2.1 Partnerships

The Peninsular Road Safety Partnership was replaced with the Vision Zero South West Road Safety Partnership with effect from 9 August 2021. The partnership is a collaborative arrangement between a number of local organisations (including Highways England, Councils and Fire and Rescue organisations from across the Force area), and governance is provided by a Partnership Governance Board.

2023/24		Partnerships	2024/25	
Expenditure £'000	Income £'000		Expenditure £'000	Income £'000
5,109	(5,109)	Vision Zero South West Road Safety Partnership	7,065	(7,065)

The table above shows expenditure that has passed through the Chief Constables accounts. There are no significant jointly controlled assets or liabilities as at 31 March 2025.

14.3 Collaborations

The Police and Crime Commissioner's Group have signed up to a number of joint operations. This involves joint working with specified Police Forces as part of a collaborative agreement. The activities undertaken involve the use of the assets and resources of the joint operators. The table below shows the regional activities.

2023/24		Notes	Joint Operation	2024/25
Expenditure £'000				Expenditure £'000
9,024	14.3.1	South West Regional Forensics Services	10,116	
559	14.3.2	South West Police Procurement Services	621	
5,260	14.3.3	South West Regional Organised Crime Unit (ROCU)	6,069	
599	14.3.4	South West Regional Programme	688	
15,442			17,494	

14.3.1 South West Regional Forensics Services

South West Regional Forensics Services is a partnership with Devon and Cornwall Police, Avon and Somerset Police, Wiltshire Police and Dorset Police. There are bases in all four Forces, with each Force employing a number of staff. The cost totalled £27,967k which was spent on operational costs and was split on a percentage basis, with Devon and Cornwall contributing 36.17%, Avon and Somerset contributing 34.75%, Wiltshire contributing 13.75% and Dorset contributing 15.33%. The Force cost for the year was £10,116k.

14.3.2 South West Police Procurement Services

South West Police Procurement Services is a partnership with Devon and Cornwall Police, Wiltshire Police, Gloucestershire Police, Dorset Police and Avon and Somerset Police. Staff are employed by Devon and Cornwall and based across the region. The Force cost for the year was £621k. Most of the £1,945k total cost is split on a percentage basis with Devon and Cornwall contributing 31.90%, Wiltshire contributing 12.12%, Gloucestershire contributing 11.82%, Dorset contributing 13.52% and Avon and Somerset contributing 30.64%.

14.3.3 South West Regional Organised Crime Unit (ROCU)

South West ROCU is a partnership with Devon and Cornwall Police, Dorset Police, Wiltshire Police, Gloucestershire Police and Avon and Somerset Police as the lead Force. Staff are employed by each partnering Police Force based within one of two hubs (North and South). The Force cost for the year was £6,069k. The total cost of £19,024k is split on a percentage basis with Devon and Cornwall contributing 31.90%, Dorset contributing 13.52%, Wiltshire contributing 12.12%, Gloucestershire contributing 11.82% and Avon and Somerset contributing 30.64%.

Chief Constable for Devon and Cornwall

Note 14 Related Party Transactions, Partnerships and Collaborations Continued

14.3.4 South West Regional Programme

The South West Regional Programme is a partnership with Devon and Cornwall Police, Dorset Police, Gloucestershire Police, Wiltshire Police with Avon and Somerset Police as the lead Force. The Programme consists of a range of teams that manage the implementation of collaboration business change projects along with now including the South West Disaster Victim Identification and Casualty Bureau Co-ordination. Costs are shared with the Forces that are involved in each project. The cost totalled £2,077k of which £1,094k was split on the following percentage basis, with Devon and Cornwall contributing 31.90%, Avon and Somerset contributing 30.64%, Wiltshire contributing 12.12%, Dorset contributing 13.52% and Gloucestershire contributing 11.82%. The remaining costs related to the Quality Standards team and SWPC Regional Project Team totalling £677k and £306k with Devon and Cornwall contributing 34.81% and 33.82% respectively. The Force cost for the year was £688k.

Note 15 Contingent Liabilities

15.1 Compensation Claims

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 bought 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 Pennington's claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

15.2 Beckmann

The Chief Constable has provided a Beckmann indemnity, to cover enhanced redundancy benefits of TUPE'd employees over a certain age. Initial calculations indicate a potential cost of £700k however the number of employees affected by this have not yet been confirmed and there is still uncertainty whether the liability will transpire.

Note 16 Capital Expenditure and Financing

Within the four-year financial planning model, the Police and Crime Commissioner approves an annual capital programme to provide and maintain buildings, ICT and other equipment for the Force. Part of the capital programme relates to non-current assets under the ownership and control of the Chief Constable. The table below shows what was spent on assets held by the Chief Constable with the finance being provided by the Police and Crime Commissioner.

2023/24		2024/25
£'000		£'000
0	Opening Capital Financing Requirement	0
	Capital Investment:	
636	Equipment and ICT	682
636		682
	Less Sources of Finance:	
(636)	Delegation from the Police and Crime Commissioner - Intra Group Transaction	(682)
(636)		(682)
0	Increase/(Decrease) in Capital Financing Requirement	0
0	Closing Capital Financing Requirement	0

Chief Constable for Devon and Cornwall

Note 17 Debtors

31 March 2024		31 March 2025
£'000		£'000
11,947	Central Government Bodies	14,912
4,037	Other Local Authorities	2,677
0	National Health Service	6
16,451	Other Entities and Individuals	7,447
32,435	Total Debtors	25,042

Note 18 Creditors

31 March 2024		31 March 2025
£'000		£'000
(6,923)	Central Government Bodies	(7,178)
(5,677)	Other Local Authorities	(5,642)
0	National Health Service	(332)
(17,250)	Other Entities and Individuals	(15,463)
(29,850)	Total Creditors	(28,615)

Note 19 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and staff, the Chief Constable makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. During 2021/22, the Chief Constable operated four pension schemes, three for police officers and one for police staff. From 1 April 2022, members of the police officer pension scheme will accrue benefits in the career average revalued earning (CARE) scheme. Therefore, from this date, the Chief Constable operated two pension schemes, one for police officers and one for police staff. All are defined benefits schemes, providing members with benefits based on their pensionable pay and length of service. The disclosures on pensions use specialist terminology. Definitions are provided in the glossary.

Following successful claims by individuals against the transitional arrangements for many public sector schemes, the Public Service Pensions and Judicial Offices Act was passed in March 2022. This puts in place legislative changes to provide a remedy for members that were in active service on or prior to 31 March 2012 and on or after 1 April 2015. The valuation provided reflects this legislation.

The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. Funding arrangements are still under consideration by the Home Office. The Police Pension Fund Regulations 2007 require the Police and Crime Commissioner Group to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Group in the form of a central government top-up grant.

A similar adjustment arising from the McCloud/Sargeant judgement has been made for the Local Government Pension Scheme.

The Chief Constable recognises the cost of retirement benefits for police officers and police staff. These costs are reflected in the intra-group transactions between the Chief Constable and the Police and Crime Commissioner. The impact of these transfers is that the pension liabilities on the Chief Constable's Balance Sheet are matched by intra-group debtors which reflect the Police and Crime Commissioner's long-term responsibility to provide funds to enable the Chief Constable to administer the police pensions.

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

19.1 Police Officer Schemes

19.1.1 Participation in Pension Schemes

From 1 April 2015 both the 1987 and 2006 Police Officers' pension schemes were replaced by a new scheme with a future accrual based on the career average retained earnings (CARE) model for new entrants. Both final salary police schemes closed from April 2015, however, there is protection for those who were members of the scheme prior to April 2012, who will be entitled to the benefits which would have accrued in their legacy scheme up to April 2022, at the point of their retirement. The new scheme is open to all newly recruited officers.

The police officer pension schemes are unfunded defined benefit final salary schemes administered by the Chief Constable for Devon and Cornwall, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Pensions are financed from the Chief Constable's and employee's (police officers) contributions. Any deficit is met by the Home Office in the form of a top up grant. The Chief Constable's and the employee contributions are paid into a separate Police Officers' Pension Fund Account.

Police Pension Fund Regulations require Police and Crime Commissioners to transfer a sum not exceeding the amount that the Police Pensions Fund is in deficit at 31 March from the Police and Crime Commissioner's General Fund into the Police Pensions Fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up-grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Police and Crime Commissioner, who then must repay the amount to central government. The Chief Constable makes payments under the Police Injury Benefits Regulations. These payments are accounted for in the same way as payments under the main police officer pension scheme. The independent actuary has estimated the costs and they are included within Police Officers scheme disclosure.

19.1.2 Reconciliation of present Value of the Scheme of Liabilities (Defined Benefit Obligation)

31 March 2024 £'000		31 March 2025 £'000
(2,600,259)	Opening balance at 1 April	(2,605,173)
(30,817)	Current service cost	(33,903)
(122,448)	Interest cost	(125,026)
(19,495)	Contributions from scheme participants	(20,898)
	Remeasurement gains and (losses):	
10,806	• Actuarial gains/(losses) arising from changes in demographic assumptions	(21,049)
43,776	• Actuarial gains/(losses) arising from changes in financial assumptions	352,352
(5,958)	• Experience gains/(losses) on defined benefit obligation	(206,277)
117,424	Benefits paid	127,399
1,798	Injury pension payments	1,999
(2,605,173)	Closing balance at 31 March	(2,530,576)

19.1.3 Transactions relating to Retirement Benefits

The Chief Constable recognises the cost of retirement benefits for police officers in the reported cost of services when they are earned by police officers, rather than when the benefits are eventually paid as pensions. These costs are reflected in the intra-group transactions between the Chief Constable and the Police and Crime Commissioner. The impact of these transfers is that the pension liabilities on the Chief Constable's Balance Sheet are matched by intra-group debtors which reflect the Police and Crime Commissioner's long-term responsibility to provide funds to enable the Chief Constable to administer the police pensions.

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

2023/24 £'000	Comprehensive Income and Expenditure Statement	2024/25 £'000
	Cost of Services	
30,817	Current service cost	33,903
	Financing and Investment Income and Expenditure	
122,448	Net interest expense	125,026
153,265	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	158,929
	Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
(10,806)	• Actuarial (gains)/losses arising on changes in demographic assumptions	21,049
(43,776)	• Actuarial (gains)/losses arising on changes in financial assumptions	(352,352)
5,958	• Experience (gains)/losses on defined benefit obligation	206,277
104,641	Total Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	33,903
	Intra-Group Adjustment	
(153,265)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(158,929)
	Actual amounts charged against the General Fund Balance for pensions in the year:	
47,154	Employers' contributions payable to scheme	56,315
52,573	Home Office Top Up Grant	52,185

19.1.4 Impact on the Cashflows held by the Police and Crime Commissioner

The liabilities show the underlying commitments that arise from the fact that the Chief Constable has to pay retirement benefits over a long-term period. The total liability of £2.531bn has a substantial impact on the net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position remains healthy, as:

- scheme deficits are met by the Home Office
- finance is only required to be raised to cover police pensions when the pensions are actually paid, not when they are earned

The total employer contributions expected to be made to the Police Pension Fund Account in the year to 31 March 2026 is £59.145m.

19.1.5 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels.

The Police Officer Pension Scheme liabilities have been estimated for accounting purposes by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2024.

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

Employer contributions are set every four years as a result of the combined actuarial valuation of the Scheme required by the Home Office on behalf of the Home Secretary. The last combined actuarial valuation was completed at 31 March 2020 and set contributions for the period from 1 April 2024 to 31 March 2027. The next combined actuarial valuation is to be carried out as at 31 March 2024.

The significant assumptions used by the actuary have been:

2023/24	Mortality Assumptions:	2024/25
	Longevity at 65 for current pensioners:	
21.3	Men	21.2
23.4	Women	23.4
	Longevity at 65 for future pensioners:	
22.5	Men	22.5
24.7	Women	24.8
	Financial Assumptions:	
3.25%	Rate of RPI inflation	3.20%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
4.90%	Rate for discounting scheme liabilities	5.80%

The estimated weighted average duration of the Police Officer schemes is 14 years, and it is this duration that has been used to derive the assumptions. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. Changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption £'000	Decrease in Assumption £'000
Mortality age rating assumption (increase or decrease in 1 year)	89,683	(86,442)
Rate of increase in salaries (increase or decrease by 0.1%)	2,967	(2,955)
Rate of increase in pensions (increase or decrease by 0.1%)	33,332	(32,559)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(34,518)	35,328

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

19.2 Police Staff Scheme

19.2.1 Participation in Pension Schemes

Police Staff are part of the Local Government Pension Scheme administered by Devon County Council. This is a funded defined benefit career average retained earnings scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities over time with investment assets. In addition to the above scheme there are arrangements for the award of discretionary post-employment benefits upon early retirement – this is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. As these benefits are unfunded, cash has to be generated to meet actual pension payments as they fall due.

19.2.2 Transactions Relating to Retirement Benefits

The Chief Constable recognises the cost of retirement benefits for police staff in the reported cost of services when they are earned by police staff, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment /retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement in the Police and Crime Commissioner's accounts. The following transactions have been made for the police staff scheme in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

2023/24 £'000	Comprehensive Income and Expenditure Statement	2024/25 £'000
	Cost of Services	
	Service cost comprising:	
13,397	• Current service cost	12,808
0	• Past service cost	79
247	• Administration expenses	279
	Financing and Investment Income and Expenditure	
827	Net interest expense	(407)
14,471	Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services	12,759
	Other Post Employment Benefits Charged to Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
(26,438)	• Return on plan assets (excluding the amount included in the net interest expense)	6,233
(5,437)	• Actuarial (gains)/losses arising on changes in demographic assumptions	(1,048)
(11,631)	• Actuarial (gains)/losses arising on changes in financial assumptions	(59,184)
22	Apportionment adjustment	3
1,358	Experience (gains)/losses on defined benefit obligation	(773)
27,140	Changes in effect of asset ceiling	57,277
(515)	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	15,267

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

2023/24 £'000		2024/25 £'000
	Intra-Group Adjustment	
(14,471)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(12,759)
	Funded Liabilities	
	Actual amount charged against the General Fund Balance for pensions in the year:	£'000
14,587	Employers' contributions payable to scheme	15,646
	Unfunded Liabilities	
	Actual amount charged against the General Fund Balance for pensions in the year:	£'000
149	Retirement benefits payable to pensioners	153

19.2.3 Pension Assets and Liabilities recognised in the Balance Sheet

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

31 March 2024 £'000		31 March 2025 £'000
(416,696)	Present value of the defined benefit obligation	(385,181)
(27,140)	Changes in effect of asset ceiling	(85,792)
434,618	Fair value of plan assets	462,291
(9,218)	Net liability arising from defined benefit obligation	(8,682)

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

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

31 March 2024 £'000		31 March 2025 £'000
(409,845)	Opening balance at 1 April	(416,696)
(13,397)	Current service cost	(12,808)
(19,437)	Interest cost	(20,579)
(4,916)	Contributions from scheme participants	(5,325)
	Remeasurement gains/(losses):	
5,437	• Actuarial gains/(losses) arising from changes in demographic assumptions	1,048
11,631	• Actuarial gains/(losses) arising from changes in financial assumptions	59,184
(1,358)	• Experience gains/(losses) on defined benefit obligation	773
(316)	Apportionment adjustment	61
0	Past service cost including gains/(losses) on curtailments	(79)
15,505	Benefits paid	9,240
(416,696)	Closing balance at 31 March	(385,181)

19.2.5 Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

The Chief Constable's contribution to the Local Government Pension Scheme for the accounting period to 31 March 2026 is estimated to be £16.216m. This estimation excludes the capitalised cost of any early retirements or augmentations which may occur after 31 March 2025. These projections are based on the assumptions as at 31 March 2025.

31 March 2024 £'000		31 March 2025 £'000
385,377	Opening fair value of scheme assets	434,618
18,610	Interest income	22,364
	Remeasurement gains/(losses):	
26,438	• The return on plan assets, excluding the amount included in the net interest expense	(6,233)
293	Apportionment Adjustment	(63)
(247)	Administration expenses	(279)
14,736	Contributions from employer	15,799
4,916	Contributions from employees into the scheme	5,325
(15,505)	Benefits paid	(9,240)
434,618	Closing fair value of scheme assets	462,291

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Note 19 Defined Benefit Pension Schemes Continued

19.2.6 Local Government Pension Scheme assets comprised:

31 March 2024 £'000	Fair Value of Scheme assets Cash and cash equivalents	31 March 2025 £'000
6,105	UK Equities	10,265
232,382	Overseas Equities	233,453
98,762	Other Bonds	109,395
33,382	Property	38,435
44,028	Infrastructure	47,909
10,264	Target Return Portfolio	10,879
9,782	Cash	11,938
(87)	Alternative Assets	17
434,618	Total	462,291

19.2.7 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels.

The liabilities have been estimated by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full triennial valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

2023/24		2024/25
	Long-term expected rate of return on assets in the scheme:	
4.95%	Equity investments	5.85%
4.95%	Bonds	5.85%
4.95%	Other	5.85%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.5	Men	21.4
22.7	Women	22.7
	Longevity at 65 for future pensioners:	
22.8	Men	22.7
24.1	Women	24.1
	Financial Assumptions:	
3.15%	Rate of RPI inflation	3.20%
3.85%	Rate of increase in salaries	3.95%
2.85%	Rate of increase in pensions	2.95%
4.95%	Rate for discounting scheme liabilities	5.85%

The past service liability duration has been estimated at 17 years. This duration has been calculated based on the membership data provided for the most recent full valuation of the liabilities at 31 March 2022. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

Due to changes in interest rates in recent years, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Chief Constable. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £85.792m. The calculation assumes that:

- The Employer does not have the right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The Employer is a scheduled body and assumed to participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement. For the period beyond the existing rates and adjustments certificate, their best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, in the absence of any other readily available figure.

The analysis shows that:

31 March 2024 £'000	Net Pension Asset in the Statement of Financial Position	31 March 2025 £'000
416,696	Present value of the defined benefit obligation	385,181
(1,443)	Present value of unfunded obligation	(1,274)
415,253	Present value of funded obligation	383,907
(434,618)	Fair value of fund assets	(462,291)
(19,365)	Deficit/(Surplus)	(78,384)
27,140	Impact of asset ceiling	85,792
1,443	Present value of unfunded obligation	1,274
9,218	Net defined benefit liability/(asset)	8,682

The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £78.384m, the initial impact of the asset ceiling is £78.384m. The Chief Constable is currently paying deficit contributions towards a funding deficit. Barnett Waddingham LLP have assessed this minimum funding requirement and calculated that it constitutes an onerous funding commitment of £7.408m to be recognised. In addition, there is an unfunded liability of £1.274m resulting in a final deficit to be recognised of £8.862m.

A reconciliation of the impact of the asset ceiling is shown below:

Opening impact of asset ceiling	£'000 27,140
Interest on impact of asset ceiling	1,378
Actuarial losses / (gains)	57,274
Closing impact of asset ceiling	85,792

The Chief Constable has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19.

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

19.2.8 Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £'000	Decrease in Assumption £'000
Mortality age rating assumption (increase or decrease in 1 year)	11,671	(11,281)
Rate of increase in salaries (increase or decrease by 0.1%)	684	(677)
Rate of increase in pensions (increase or decrease by 0.1%)	5,883	(5,730)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(6,228)	6,391

19.2.9 Other Assumptions

It is assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

19.2.10 Virgin Media Case

The background to this case is that where the rules of a contracted-out defined benefit scheme were amended, the Scheme Actuary would provide a "section 37" confirmation that the scheme continues to meet the contracting-out requirements. The original court case in June 2023 decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). Barnett Waddingham understand that the Government Actuary's Department (GAD) is currently reviewing historic amendments to the LGPS in this context and the Scheme Advisory Board are liaising with GAD on whether the relevant certificates were available for past scheme changes. HM Treasury is currently assessing the implications for all public service pension schemes; however, HM Treasury do not believe the Virgin Media case expressly addresses whether confirmation is required for public service pension schemes. Barnett Waddingham understands their view to be that the relevant amendments in the LGPS would have been made by legislation – and therefore would remain valid until revoked or repealed by subsequent legislation or declared void by a court.

Barnett Waddingham advises that there is insufficient information to assess the potential impact of this case. As they are unable to quantify the impact, no provision has been made in the valuation of the LGPS.

19.2.11 Impact on the Cashflows held by the Police and Crime Commissioner

The objectives of the scheme, as administered by Devon County Council, are to keep employer's contributions at as constant a rate as possible. A strategy has been agreed with the scheme's actuary to achieve a funding level of 100% over the next 17 years. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation will be carried out as at 31 March 2025 and will set contributions for the period from 1 April 2026 to 31 March 2029.

Devon County Council publishes details of the Fund's performance. More detail can be found on their website devonpensionfund.org.uk/

Chief Constable for Devon and Cornwall

Note 19 Defined Benefit Pension Schemes Continued

19.2.12 Total Pensions Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Chief Constable's obligation in respect of its Police Officer and Police Staff Pension Schemes is as follows.

31 March 2024 £'000		31 March 2025 £'000
(2,605,173)	Police Officers Pension Schemes	
	Present value of the defined benefit obligation	(2,530,576)
(2,605,173)	Total Police Officer benefit obligation	(2,530,576)
	Police Staff Pension Scheme	
(416,696)	Present value of the defined benefit obligation	(385,181)
(27,140)	Changes in effect of asset ceiling	(85,792)
434,618	Fair value of plan assets	462,291
(9,218)	Total Police Staff benefit obligation	(8,682)
(2,614,391)	Net liability arising from defined benefit obligation	(2,539,258)
(2,605,173)	Police Officer Pensions Liabilities - Intra-Group Creditor	(2,530,576)
(9,218)	Police Staff Pensions Liabilities - Intra-Group Creditor	(8,682)
(2,614,391)	Impact on the Chief Constable Balance Sheet	(2,539,258)



Devon & Cornwall
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Pension Fund Accounting Statements

Chief Constable for Devon and Cornwall

Police Officers' Pension Fund Statement (PFS)

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from the Police and Crime Commissioner Group Police Fund. The statement shows income and expenditure for the Police Pension Scheme, this expenditure is not consolidated into the Police and Crime Commissioner Group Accounts.

31 March 2024 £'000		31 March 2025 £'000
	Contributions Receivable	
(44,978)	Employers (normal)	(53,601)
(19,495)	Employees (normal)	(20,898)
(378)	Ill Health capital charge	(715)
	Transfers In	
(491)	Individual transfers from other schemes	(49)
	Benefits payable	
99,883	Pensions	108,391
17,706	Commutations and lump sum retirement benefits	19,057
	Payment to and on account of leavers	
326	Individual transfers to other schemes	0
52,573	Net amount paid during the year	52,185
(52,573)	Transfer from Police Fund*	(52,185)
0	Net amount payable / receivable for the year	0
*Additional contribution funded from the Police Fund is met by a top up grant from the Home Office		
50,718	Received in year	50,651
1,855	Debtor	1,534
52,573		52,185

The Police Officer Pension Fund is unfunded and has no investment assets.

The Police Officer Pension Fund which is administered by the Chief Constable has been set up for the specific purpose of administering the collection of contributions, the payment of pensions and the refund to central government for the balance outstanding for each year. The fund does not hold any investment assets nor does it reflect the liabilities to pay present and future pensioners.

The main benefits payable are police officer pensions, lump sums that represent the commutation of pensions and other lump sum payments. The employer paid a contribution equal to 35.3% of police officer pay for 2024/25. As this contribution was insufficient to meet the net costs of benefits after employees' contributions, the account was balanced to nil at the year end by the Home Office top up grant.

The above accounting statement complies with the accounting policies where applicable.

Further information can be found in the Defined Benefits Pension Schemes Note.

This Financial Statement does not take account of liabilities to pay pensions and other benefits after the 31 March 2025.



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Glossary

Chief Constable for Devon and Cornwall

Glossary

Accounting Period	The period of time covered by the accounts runs from 1 April to 31 March.
Accrual	Amounts included in the final accounts to cover income and expenditure relating to the accounting period but neither paid nor received by 31 March. (For example, goods delivered in March but not invoiced by suppliers until April.)
Actuarial Gains and Losses	Changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.
Actuarial Valuation	An independent report on the financial status of a Pension Fund, which shows the estimated cost today of providing benefits in the future.
Agency Services	Services provided by one body (the agent) on behalf of, and generally with payment from, the responsible body
Amortised Cost	This method applies to both financial assets and liabilities. It is a method of determining the Balance Sheet carrying amount and periodic charges or credits to the Income and Expenditure Account of a financial instrument from the expected cash flows. This approach sees through the contractual terms (for example discounts and premiums) to measure the real cost from entering into a financial liability.
Appropriation	Charges to the revenue account that build up funds and reserves in the balance sheet.
Asset	Physical assets such as equipment and financial assets such as cash and amounts owed by debtors.
Bid Price	A valuation of financial assets based on the highest price a buyer is willing to offer.
Budget	The plan for providing resources to meet its service obligations. The Office of the Police and Crime Commissioner sets an annual budget within a four year financial strategy.
Capital Expenditure	The cost of buying or building significant assets (e.g. land and buildings) which have a long-term value to the Office of the Police and Crime Commissioner. (<i>Also referred to as capital spending or capital payments</i>).
Capital Grants	Grants received that can only be used to pay for capital projects.
Capital Receipts	Income from the sale of capital assets (land, buildings, etc.). In the public sector, there are generally strict rules on what the receipts can be spent on.
Carrying Amount	This is the amount of a financial asset or liability that should be recorded in the Balance Sheet for a given date based upon the correct measurement approach for the financial asset or liability.
Cash Flow Statement	This statement summarises the inflows and outflows of cash.
CIPFA	The Chartered Institute of Public Finance and Accountancy, the professional body that sets accounting standards for the public sector.
CIES	Comprehensive Income and Expenditure Statement.
Contingent Liability	A possible cost of past events where the amount to be paid is not certain, or when the payment may not actually be made. (For example, where a court case is still undecided.)
Council Tax	A tax based on the value of property, which is administered by District and Unitary authorities.
Creditors	Amounts owed for work done, goods received or services received, but for which payment has not been made by the end of the accounting period.

Chief Constable for Devon and Cornwall

Glossary Continued

Current Assets and Liabilities	Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short-term.
Current Service Cost	The increase in the benefits earned by employees in the current period based on their pay and length of service. This is charged to the net cost of services.
Curtailments	Curtailments arise as a result of the early payment of accrued pensions on retirement on the grounds of efficiency or redundancy or where the Employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.
Debtors	Amounts due but unpaid by the end of the accounting period.
Deferred Charges	Costs built up when preparing for a capital project that does not eventually create or buy a fixed asset. Deferred charges are written out of the accounts in the year they are incurred.
Defined Benefit Scheme	A pension scheme which defines the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.
Depreciation	The accounting principle that spreads the cost of a fixed asset over its useful working life.
Discretionary Benefits	Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under discretionary powers.
Earmarked Reserves	These reserves represent monies set aside to be used for a specific purpose.
Exit Costs	These are costs of packages for which have been committed to. The cost of the package includes the termination benefits, all relevant redundancy costs including compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex gratia payments and other departure costs.
Expected Return on Assets	The average rate of return expected over the remaining life of the pension scheme from the actual investments held by the scheme. Fees charged by investment managers are taken out. The net income is credited to net operating expenditure.
Experience Gains and Losses (IAS 19 Pensions disclosure)	This shows the impact of actual experience differing from the accounting assumptions, such as pension increases differing from those assumed and unexpected membership movements.
Fair Value	This is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price. In most cases, this amount will be the transaction price, e.g. the amount of a loan made.
Fixed Assets	Something of practical use that can be measured in cash terms, e.g. land and buildings, or computer and radio equipment.
FTE	Full Time Equivalent.
FVPL	Classification of Financial asset. FVPL stands for, Fair Value through profit or loss.
Impairment	A loss in the value of a fixed asset, caused by physical damage (such as a major fire) or a significant reduction in market value.
Intangible Asset	An identifiable asset that has no physical substance can be measured reliably and is used for a period of more than one year.
Interest Cost	The expected increase during the period in the present value of the scheme liabilities because members of the scheme are one year closer to retirement. This is charged to net operating expenditure.

Chief Constable for Devon and Cornwall

Glossary Continued

International Financial Reporting Standards (IFRS)	Accounting standards issued by the International Accounting Standards Board and from which the CIPFA code of Practice on Local Authority Accounting is derived.
Medium Term Financial Strategy (MTFS)	Often referred to as MTFS, it is the financial plan and management of funding, spending and savings over a four year period.
Minimum Revenue Provision	The minimum amount that must be charged to the General Fund each year.
OPCC	Officer of the Police and Crime Commissioner.
Past Service Cost	The increase in the benefits earned by employees from their service in previous years arising because of improved retirement benefits. These costs are paid directly by the employer and are charged to the net cost of services.
Pension Scheme (Defined Benefit)	A pension scheme that pays benefits to members based on the rules of the scheme and not on the value of the pension fund. Benefits are usually based on pay and length of service.
Pension Scheme (Funded)	Each year both employers and members pay standard contributions that are invested in a separate pension fund. Benefits to contributors and their dependants are paid out of investments held in the fund.
Pension Scheme (Unfunded)	Members pay a standard contribution each year. The employer then pays the cash difference between members' annual contributions and the annual cost of benefits to contributors and their dependants.
PCC	Police and Crime Commissioner.
PCSO	Police Community Support Officer.
PFS	Police Officers' Pension Fund Statement.
Precept	A levy collected by District and Unitary Councils from council taxpayers on behalf of the Police and Crime Commissioner.
Present value (or Net Present Value)	The amount of money that must be put aside today to pay for a cost in the future, allowing for inflation and interest rates.
Provisions	Amounts set aside to meet costs that are likely to be incurred, but where the actual amount and timing are uncertain.
Related Parties	Individuals or other bodies who have significant control and influence over the financial and operating policies of an entity.
Reserves	Amounts set aside to meet the cost of specific future expenditure.
Revaluation Reserve	The Reserve records the accumulated gains on the fixed assets arising from increases in value. It is debited with the part of the depreciation charge for the asset relating to the revaluation. Any balance on this account is written back to the Capital Adjustment Account upon disposal of the asset.
Running Costs	Costs from the use of premises, transport and equipment, and other general expenditure needed to provide a service.
Termination Benefits	These are payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept voluntary redundancy in exchange for those benefits excluding any voluntary early retirements.
TUPE	Transfer of Undertakings Protection of Employment.