



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

Police and Crime Commissioner for Devon & Cornwall



Statement of Accounts for the year ended 31 March 2025

Audited

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Officers of the Police and Crime Commissioner Group

The statutory officers of the Office of the Police and Crime Commissioner and contact details are as follows:



Police and Crime Commissioner
Alison Hernandez



Chief Executive
Frances Hughes



Chief Financial Officer
Nicola Allen

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Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Officers of the Police and Crime Commissioner Group Continued

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



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From 13/12/2024



Chief Financial Officer
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From 30/09/2024

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Statement of Accounts 2024/25

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PCC
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Accompanying Reports

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Narrative Report by Nicola Allen, Chief Financial Officer

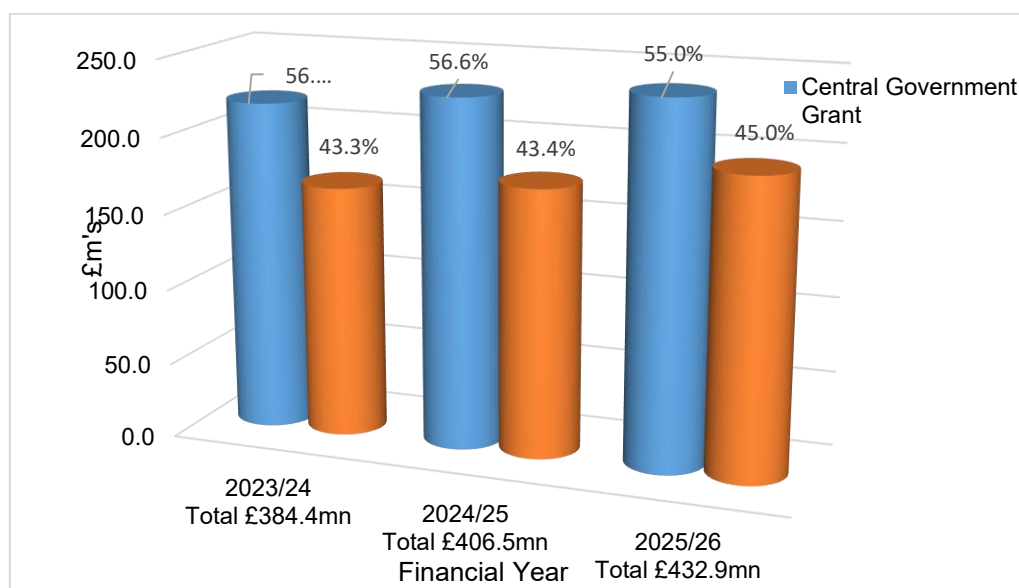
1.0 INTRODUCTION

- 1.1 Welcome to the Police and Crime Commissioner'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 Police and Crime Commissioner'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 primary function of the Police and Crime Commissioner is to secure the maintenance of an efficient and effective police service in Devon, Cornwall and the Isles of Scilly, and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996. The Police and Crime Commissioner and the Chief Constable form an accounting group for reporting purposes. This set of accounts includes the Statements for the Police and Crime Commissioner Group and for the Police and Crime Commissioner as a single entity. The Chief Constable's single entity accounts are published in a separate document. Further information on the structure of the group is provided within the accounts.
- 1.3 The aim of this narrative report is to provide an easily understandable explanation of the Police and Crime Commissioner Group's financial performance in 2024/25 and its position at the end of the financial year.

2.0 RESOURCES AVAILABLE IN 2024/25

- 2.1 In December 2021 the government provided policing with an indicative three year funding settlement for the period 2022/23 through to 2024/25. The government recognised the need to maintain investment in policing with the settlement continuing the uplift of police officers.
- 2.2 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. The settlement confirmed national increases of £624m in 2024/25.
- 2.3 As part of the 2024/25 overall central government funding settlement, the council tax flexibility provided to Police and Crime Commissioners was set at a maximum of £13 per Band D equivalent property before a referendum was required. The Police and Crime Commissioner, in consultation with the Police and Crime Panel, increased the council tax element for policing by £12.94 (4.95%) allowing services to the public to not only be maintained but enhanced. Council tax was set at £274.50 for a band D property.
- 2.4 The graph below shows the revenue budget funding sources in 2024/25 as well as the funding in the previous and following year for comparative purposes. It shows slightly decreasing levels of central grant as a proportion of revenue funding (2022/23 56.7%, 2023/24 56.6%, and 2024/25 55.0%).

Revenue Budget funding 2023/24 – 2025/26



Narrative Report by Nicola Allen, Chief Financial Officer Continued

3.0 THE FINANCIAL STRATEGY FOR 2024/25

- 3.1 The Police and Crime Commissioner takes a multi-year approach to financial planning, considering the budget year and the subsequent three years.
- 3.2 The Police and Crime Plan 2021-2025 sets out the Police and Crime Commissioner's vision for **Safe, Resilient and Connected** communities. This vision is underpinned by priorities for Devon, Cornwall and the Isles of Scilly which are shown below.
- **Violence** – We continue to have inherent violence across our communities. Supporting families and young people affected by violence reduces the chances of those people becoming victims or perpetrators of violence later in life. Our Serious Violence Prevention Programme will help to drive the earliest possible interventions through partnership working and the scaling of evidence-based practice
 - **Antisocial Behaviour** – Persistent antisocial behaviour (ASB) is a very visible sign of disorder in communities. It can lead to community tensions and have a significant impact on people's health, wellbeing and daily quality of life
 - **Drugs** – Drugs can have a devastating social impact on community life and on those who are dependent upon them. They have an adverse impact on individuals, families and businesses and contribute to violence, crime, financial problems and homelessness
 - **Road Safety** – There are too many crashes on our roads. While the region is one of the safest when it comes to road safety, one death or serious injury is one too many
 - **Providing high quality and timely support to victims of crime** - To help them recover and to get justice by improving the criminal justice system
- 3.3 The Medium-Term Financial Strategy (MTFS), Capital Strategy, Reserves Strategy and Treasury Management Strategy are updated and approved annually during the budget setting process.
- 3.4 The overall impact in 2024/25 of increases to the Home Office core grant and special grant, and Council Tax increases relating to the precept, taxbase and surplus was an increase of funding of £22.1m, resulting in a budget of £406.5m (2023/24 budget £384.4m).
- 3.5 The table below outlines 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

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 3.6 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
- 3.7 The 2024/5 budget also made a provision for a number of unavoidable costs such as pay inflation, increments and existing policy commitments.
- 3.8 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%.

4.0 2024/25 OUTCOMES

Uplift Officers

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 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

- 4.5 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

- 4.6 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.

Vision Zero South West Road Safety Partnership

- 4.7 The Office of Police and Crime Commissioner (OPCC) is the lead treasurer for the Vision Zero South West Road Safety Partnership. The partnerships ambition is to cut road deaths and serious injuries in Devon and Cornwall to zero by 2040, and to reduce current numbers by 50% by 2030.
- 4.8 Total income for the financial year, including Speed Awareness Courses and Court Costs recovered, was £7.065m, the Force accounted for running costs during the year and a surplus of £169k was transferred into the reserve at the year end.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

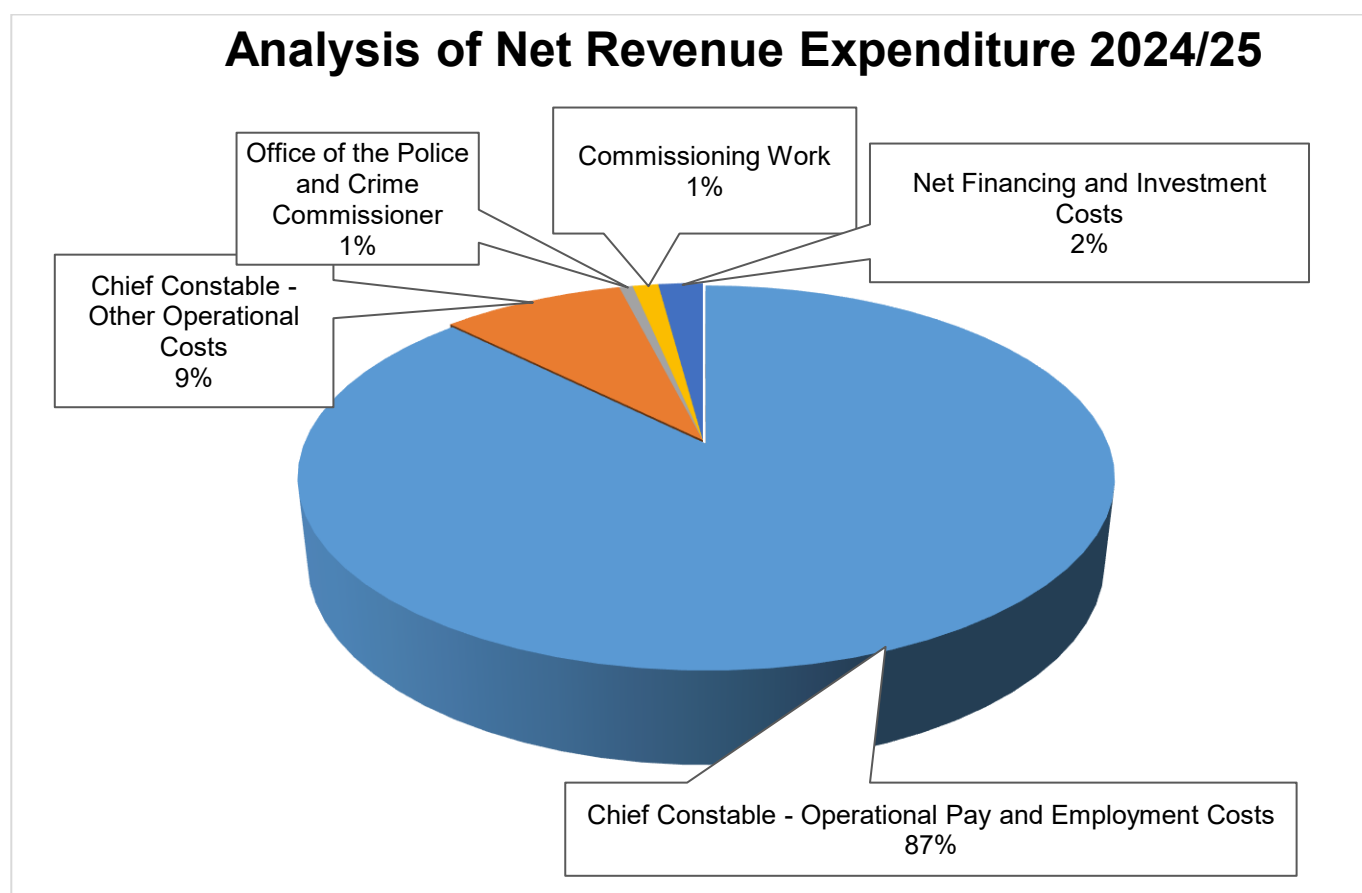
4.9 The Vision Zero reserve balance started the financial year at £4.378m, with spend on vehicle investment, camera equipment and Road Safety Delivery Plan of £2.081m, offset by the surplus of £169k the closing reserve balance is £2.466m.

5.0 ACTUAL EXPENDITURE 2024/25

5.1 The Police and Crime Commissioner Group spent £406.256m against a budget allocation of £406.518m, resulting in an underspend of £0.262m. The outturn of £406.538m shown below is the net position after £0.282m of the underspend was approved to be carried forward into 2025/26 making the net overspend £20k, which will be charged to general balances.

5.2 The approved net revenue budget for 2024/25 was £406.518m, of which £399.017m was under the direct control of the Chief Constable and £7.501m was under the direct control of the Police and Crime Commissioner.

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



Summary of final outturn	Revised Budget £'m	Outturn £'m	(Under)/Over £'m
Chief Constable	399.017	399.037	0.020
OPCC and Commissioning	7.501	7.501	0.000
Grand Total	406.518	406.538	0.020

5.4 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.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

The Bank of England base rate held at 4.5% after dropping from the 5.25 peak in August 2023.

5.5 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.
- 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.

5.6 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.

5.7 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.

6.0 RESERVES

6.1 Reserves are held to support both Capital and Revenue spending. A Reserves Strategy is produced annually which looks at the resilience of the reserves of the group. The strategy takes a risk-based approach to assess the adequacy of the general balances. This strategy is reviewed by the Independent Audit Committee each year with recommendations for improvement referred back to the Police and Crime Commissioner. There has been a Home Office requirement to ensure that reserves held are not excessive and are used to support policing within the area.

6.2 The Reserves Strategy states the intention to maintain general balances at no more than 5% and no less than 3% of overall funding levels each year. The level at 31 March 2025 was 4.52% of the 2024/25 net revenue budget.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 6.3 The table below summarises the most recent level of reserves and balances forecast for 2024/25, compared with the actual level:

	Planned Balance (revised 24/25 MTFS) 31/3/2025 £'m	Actual Balance 31/3/2025 £'m
Earmarked Reserves - Capital	14.837	14.439
Earmarked Reserves - Revenue	7.000	10.529
General Balances	17.889	18.369
Total Reserves and Balances	39.726	43.337

- 6.4 The key reasons for the higher than originally planned level of reserves were further slippage on the capital programme, the agreed revenue carry forwards into 2025/26 and movement of one off funding to reserves.
- 6.5 The following table outlines the details of the reserves over the MTFS period. The future years forecast on each earmarked reserve are as per 2025/26 MTFS.

	Actual Balance 31/3/2024 £000's	Actual Balance 31/3/2025 £000's	Forecast Balance 31/3/2026 £000's	Forecast Balance 31/3/2027 £000's	Forecast Balance 31/3/2028 £000's	Forecast Balance 31/3/2029 £000's
Revenue Reserves						
Estates Development Reserve	14	14	0	0	0	0
Capital Financing Reserve	11,132	9,001	6,193	6,943	3,672	3,171
Emergencies Services Network (ESN) Capital Reserve	4,101	4,101	3,901	3,701	3,286	21
VZSW (Ringfenced)	4,378	2,466	2,482	2,614	2,821	3,156
Improvement Reserve	2,000	700	475	475	475	475
Budget Management Fund	7,599	6,418	6,148	5,078	5,078	5,078
Police and Crime Plan Reserve	1,076	931	931	931	931	931
Total Revenue Reserves	30,300	23,631	20,130	19,742	16,263	12,832
Capital Reserves						
Capital Grant	305	360	360	360	360	360
Capital Receipts	977	977	977	977	977	977
Total Capital Reserves	1,282	1,337	1,337	1,337	1,337	1,337
General Balances	17,236	18,369	17,269	16,369	16,369	16,369
Total Reserves and Balances	48,818	43,337	38,736	37,448	33,969	30,538
<i>General Balances as % of future year Revenue Budget</i>		4.52%	3.99%	3.70%	3.61%	3.51%

- 6.6 In line with the Capital Strategy there is an aspiration to reduce the level of reserves, which is in line with the Home Office direction. Slippage in the capital programme over the last two years has reduced the call on the Capital Financing Reserve and kept reserves at a temporarily higher level than had been previously anticipated.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

7.0 CAPITAL PROGRAMME

7.1 The table below shows the Police and Crime Commissioner Groups capital expenditure, and funding, during 2024/25. This consists of an ongoing programme of rationalisation, replacement and enhancement of property and other assets, all with an expected life of more than one year, and with a value in excess of £20k.

	24/25 Revised Plan £m's	24/25 Actual £m's
Capital Investment		
Vehicles	5.977	4.551
Land and Buildings	5.615	3.370
Equipment & ICT	8.319	4.486
Total	19.911	12.407
Funded by		
Grants	0.000	0.357
Capital Financing Reserve	3.149	2.945
Capital Receipts & Asset Disposal	0.845	0.037
Revenue Funding	5.403	5.331
Reserves	1.617	0.735
Borrowing	8.897	3.002
Total	19.911	12.407

7.2 The 2024/25 original capital programme was estimated to be £22.828m, but actual spending was £12.407m. The programme was revised during the year to reflect changes in the timing of a number of projects.

7.3 Vehicle expenditure related to the continual acquisition of replacement vehicles, to ensure that the vehicle fleet remains fit for purpose. During the year additional driver training vehicles were purchased, and purchases were made on behalf of Vision Zero South West Road Safety Partnership.

7.4 Building spend primarily related to refurbishments of Camborne, Dartmouth and Barnstaple Police Stations and the firing range at Police Headquarters.

7.5 It is important for officers and staff to have access to the most suitable IT and equipment in order to deliver their service. This year has seen replacement programmes for mobiles, PC's and core infrastructure, whilst work towards a new contact centre system and data management system has started but will be delivered in future years.

8.0 2024/25 WORKFORCE

8.1 Workforce costs made up 86% of the annual expenditure of Devon and Cornwall Police.

8.2 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.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

8.3 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.

8.4 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 number of police staff charged against the Police and Crime Commissioner's Group accounts.

31/03/24 (FTE)		31/03/25 (FTE)
2,287	Police Staff - Actual	2,195
32	OPCC - Actual	35
2,319	Total	2,230

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.

9.0 PERFORMANCE

External Indicators

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

9.2 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:

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.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 9.3 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.
- 9.4 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.

Office of the Police and Crime Commissioner Performance Measures

- 9.5 As stated in the introduction, the primary function of the Police and Crime Commissioner is to secure the maintenance of an efficient and effective police service in Devon, Cornwall and the Isles of Scilly and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996.
- 9.6 In addition, the Police and Crime Panel receive a report on a regular basis of the OPCC's assessment of current performance against the strategic indicators for the Police and Crime Plan 2021-2025 'Safe, Resilient and Connected communities', these indicators are accompanied by a focus on four community priorities, including violence, anti-social behaviour (ASB), drugs and road safety.

In order to monitor the progress of these objectives, the Police and Crime Commissioner has identified a suite of performance metrics, as per the table below.

Police and Crime Plan 2021-2025 Scorecard	
<u>Violence</u> <ul style="list-style-type: none"> Homicides - National measure Hospital admissions of under 25s for assault with a sharp object - National measure Offences involving discharge of a firearm - National measure Violent Crime (all) Violent Crime (Domestic Violence) Victim satisfaction (Domestic Violence) - National measure 	<u>ASB</u> <ul style="list-style-type: none"> Recorded number of ASB incidents Recorded number of public order incidents
<u>Drugs</u> <ul style="list-style-type: none"> Drug possession offences Drug trafficking offences Organised drug disruptions <i>Drug related homicides*</i> National measure <i>Police referrals into drug treatment*</i> National measure 	<u>Road Safety</u> <ul style="list-style-type: none"> Number of Fatal casualties Number of Serious casualties Number of Deaths or serious injuries caused by high risk driving offending behaviour Number of Community Speedwatch Schemes
<u>Safe</u> <ul style="list-style-type: none"> ONS crime rating Victim based reported crime levels Number of Police Officers (Full-time Equivalent) Number of recorded hate crimes Number of neighbourhood crimes - National measure <i>Percentage (%) of businesses experiencing a cyber breach or attack*</i> National measure <i>Confidence in the law enforcement response to cyber crime*</i> National measure 	
<u>Resilient</u> <ul style="list-style-type: none"> Number of young people who are victims of crime Additional funding brought into Devon and Cornwall by OPCC Overall victim satisfaction - National measure 	
<u>Connected</u> <ul style="list-style-type: none"> Number of customer contact points open to the public Number of customer contacts (999, 101, online) 101 and 999 call wait times (P1 & P2) Levels of public confidence in the Police Number of reports made to Devon and Cornwall Police from Crime Stoppers 	

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 9.7 The metrics are published in the Police and Crime Commissioner's Police and Crime Plan, and a scorecard is presented to the Police and Crime Panel at each meeting and is published quarterly on the OPCC Website to monitor progress.

Force Demand

- 9.8 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.

10.0 FUTURE FINANCIAL OUTLOOK

- 10.1 The Chief Constable and the Police and Crime Commissioner formally update the MTFS annually during the budget setting process.
- 10.2 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.
- 10.3 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.
- 10.4 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.
- 10.5 The 2025/26 budget supports a structured financial approach to facilitate additional and sustainable resources to:
- Maintain 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

Narrative Report by Nicola Allen, Chief Financial Officer Continued

10.6 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

11.0 GOVERNANCE ARRANGEMENTS

11.1 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.

12.0 THE STATEMENT OF ACCOUNTS

12.1 A brief explanation of the purpose of each of the four primary statements is provided below together with a high-level summary.

Movement in Reserves Statement for the Group and for the Police and Crime Commissioner as a single entity - shows the changes in the Police and Crime Commissioner's financial resources over the year. The statement shows the different reserves held which have been analysed into "Usable" and "Unusable" Reserves. Usable reserves can be used to fund expenditure during the year and in future years or to reduce the amount that needs to be raised in council tax. Unusable reserves are technical accounting adjustments that are required to be reported at year end.

The table below is a summary of the movement in reserves:

Summary Movement in Reserves	Restated Balance as at 01/04/2024*	Movements	Balance as at 31/03/2025
	£'000	£'000	£'000
General Fund	17,236	1,133	18,369
Earmarked Reserves	30,300	(6,669)	23,631
Capital Receipts	977	0	977
Capital Grants	305	55	360
Total Usable Reserves	48,818	(5,481)	43,337
Unusable Reserves	(2,434,939)	81,050	(2,353,889)
Total Reserves	(2,386,121)	75,569	(2,310,552)

*The restated balances presented have been calculated by applying the IFRS 16 adjustments to the closing balances as at 31 March 2024. The table below summarises the changes.

Summary Movement in Reserves	Balance as at 31/03/2024	IFRS 16 Adjustments	Restated Balance as at 01/04/2024*
	£'000	£'000	£'000
General Fund	17,236	0	17,236
Earmarked Reserves	30,300	0	30,300
Capital Receipts	977	0	977
Capital Grants	305	0	305
Total Usable Reserves	48,818	0	48,818
Unusable Reserves	(2,437,566)	2,627	(2,434,939)
Total Reserves	(2,388,748)	2,627	(2,386,121)

Narrative Report by Nicola Allen, Chief Financial Officer Continued

The significant movements during the year have been within unusable reserves, specifically for pensions, revaluation and the capital adjustment account. The accounting adjustments applied have been prepared in accordance with generally accepted accounting practices and are not chargeable against council tax for the year.

Comprehensive Income and Expenditure Statement for the Group and for the Police and Crime Commissioner as a single entity – 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.

The table below is a summary of the Group Comprehensive Income and Expenditure Statement:

Summary Comprehensive Income and Expenditure Statement	Gross Expenditure 2024/25 £'000	Gross Income 2024/25 £'000	Net Expenditure 2024/25 £'000
Net Cost of Services	465,707	(74,650)	391,057
Other Operating Income and Expenditure	567	(52,985)	(52,418)
Financing and Investment Income and Expenditure	147,812	(23,392)	124,420
Taxation and Non-Specific Grant Income	0	(407,967)	(407,967)
(Surplus)/Deficit on Provision of Services	614,086	(558,994)	55,092
Other Comprehensive Income and Expenditure	0	(130,661)	(130,661)
Total Comprehensive Income and Expenditure	614,086	(689,655)	(75,569)

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 shown in the Financing Investment Income and Expenditure section and relates to the pensions interest cost (£124.610m which is included in the net balance of £124.420m). This cost is 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.

The "Other Comprehensive Income and Expenditure" section reflects the net movement in the revaluation of assets ((£8.196m) and the remeasurement of the pension liabilities ((£122.465m)).

Balance Sheet as at 31 March 2025, shows how the resources available to the Group and the Police and Crime Commissioner are held in the form of assets and liabilities.

The table below is a summary of the Group Balance Sheet:

Summary Balance Sheet	Restated Balance as at 01/04/2024 £'000	Balance as at 31/03/2025 £'000	Movement £'000
Long Term Assets	277,096	281,259	4,163
Current Assets	63,097	55,427	(7,670)
Current Liabilities	(69,309)	(70,969)	(1,660)
Long Term Liabilities	(2,657,005)	(2,576,269)	80,736
Net Liabilities	(2,386,121)	(2,310,552)	75,569
Unusable Reserves	(2,434,939)	(2,353,889)	81,050
Usable Reserves	48,818	43,337	(5,481)
Total Reserves	(2,386,121)	(2,310,552)	75,569

*The restated balances presented have been calculated by applying the IFRS 16 adjustments to the closing balances as at 31 March 2024. The table below summarises the changes.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Narrative Report by Nicola Allen, Chief Financial Officer Continued

Summary Balance Sheet	Balance as at 31/03/2024 £'000	IFRS 16 Adjustment £'000	Restated Balance as at 01/04/2024 £'000
Long Term Assets	262,739	14,357	277,096
Current Assets	63,097	0	63,097
Current Liabilities	(68,554)	(755)	(69,309)
Long Term Liabilities	(2,646,030)	(10,975)	(2,657,005)
Net Liabilities	(2,388,748)	2,627	(2,386,121)
Unusable Reserves	(2,437,566)	2,627	(2,434,939)
Usable Reserves	48,818	0	48,818
Total Reserves	(2,388,748)	2,627	(2,386,121)

The significant movements in the Balance Sheet correspond to the areas highlighted above. The total reserves deficit is mainly due to the police officer and staff pension liabilities. In practice, in year pension costs for police officers are being met by the Home Office.

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

The table below is a summary of the cash flow position:

Summary Cash Flow Statement	Cash Flows 2023/24 £'000	Cash Flows 2024/25 £'000
Cash and Cash Equivalents as at 1 April	(13,992)	(18,867)
Net Cash Flow from:		
Operating Activities	(9,042)	(11,981)
Investing Activities	12,992	10,580
Financing Activities	(8,825)	(231)
Movement	(4,875)	(1,632)
Cash and Cash Equivalents as at 31 March	(18,867)	(20,499)

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.

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 - Chief Constable	399,206
Net Cost of Services - Office of the Police and Crime Commissioner	2,573
Net Cost of Services - Commissioning	4,928
Financing and Investment Income and Expenditure	(189)
Total net expenditure funded by Taxation and Non-Specific Grant Income	406,518
Outturn	
PCC Group	406,256
Underspend transferred to General Balances	262
Total net expenditure funded by Taxation and Non-Specific Grant Income	406,518

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 12.2 In 2024/25, the Police and Crime Commissioner applied IFRS 16 Leases standard as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of this standard is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of- use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Further details can be found in the Leases note.
- 12.3 The notes to the financial statements include the accounting policies and gives further information on the entries within the main statements as well as supplementary information. All notes relate to the Group Statements unless it is otherwise specified. These are further supplemented by a glossary of terms.

Nicola Allen CPFA
Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Further Information

This publication provides a review of the financial performance of the Police and Crime Commissioner for 2024/25. It complements the information in the [Single Entity Accounts of the Chief Constable](#) and the [Police and Crime Plan](#).

Independent Auditor's Report to the Police and Crime Commissioner 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 Police and Crime Commissioner for Devon & Cornwall (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2025, which comprise the Group Movement in Reserves Statement, Police and Crime Commissioner Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, Police and Crime Commissioner Comprehensive Income and Expenditure Statement, the Group and Police and Crime Commissioner Balance Sheet, the Group 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, except for the possible effects of the matter described in the basis for opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2025 and of the group's expenditure and income and the Police and Crime Commissioner's 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 Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Police and Crime Commissioner and group'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 Police and Crime Commissioner and the group 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 Police and Crime Commissioner and group'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 Police and Crime Commissioner and the group. 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 Police and Crime Commissioner and group and the Police and Crime Commissioner and group'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 Police and Crime Commissioner and the

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group'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.

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

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

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

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief 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.

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

Auditor's responsibilities for the audit of the financial statements

Our 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 Police and Crime Commissioner and the group 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 Police and Crime Commissioner concerning the Police and Crime Commissioner and group'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 Police and Crime Commissioner 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 Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of 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 Police and Crime Commissioner and Group Comprehensive Income and Expenditure Statement, and
 - Potential management bias in determining accounting estimates and judgements made in respect of the valuation of assets and liabilities in the Police and Crime Commissioner and Group Balance Sheet.
 - Potential management bias in determining accounting estimates and judgements made in respect of the valuation of assets and liabilities in the Police and Crime Commissioner and Group 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 land and buildings and 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

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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, 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 the potential for management override of controls and the significant accounting estimates related to the valuation of land and buildings and 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 collective competence and capabilities of the group audit team members included consideration of:
 - 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 Police and Crime Commissioner and group 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 Police and Crime Commissioner and group'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 Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group 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 Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

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

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

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

Responsibilities of the Police and Crime Commissioner

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within

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the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

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

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

Signature:

Grace Hawkins, Key Audit Partner

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

Date: 17 December 2025

Statement of Responsibilities

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required to:

- make arrangements for the proper administration of the financial affairs of the Office of the Police and Crime Commissioner and to secure that one of her officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer to the Police and Crime Commissioner
- manage the affairs of the Office of the Police and Crime Commissioner 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.

Alison Hernandez
Police and Crime Commissioner
17 December 2025

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Police and Crime Commissioner'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 Police and Crime Commissioner for Devon and Cornwall at the reporting date and of the income and expenditure for the year ended 31 March 2025.

Nicola Allen CPFA
Chief Financial Officer to the Police and Crime Commissioner
17 December 2025



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

Financial Statements

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Group Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2023/24 and 2024/25 on the different reserves held by the Police and Crime Commissioner Group, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/(decrease) shows the statutory General Fund balance movements in the year following those adjustments.

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		17,236	30,300	977	305	48,818	(2,437,566)	(2,388,748)
IFRS 16 Adjustment		0	0	0	0	0	2,627	2,627
Restated Balance at 1 April 2024		17,236	30,300	977	305	48,818	(2,434,939)	(2,386,121)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(55,092)	0	0	0	(55,092)	130,661	75,569
Adjustments between accounting basis and funding basis under regulations	9	49,556	0	0	55	49,611	(49,611)	0
Transfers to/(from) Earmarked Reserves	10	6,669	(6,669)	0	0	0	0	0
Increase/(Decrease)		1,133	(6,669)	0	55	(5,481)	81,050	75,569
Balance at 31 March 2025		18,369	23,631	977	360	43,337	(2,353,889)	(2,310,552)

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		15,313	44,848	977	305	61,443	(2,487,188)	(2,425,745)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(72,033)	0	0	0	(72,033)	109,030	36,997
Adjustments between accounting basis and funding basis under regulations	9	59,408	0	0	0	59,408	(59,408)	0
Transfers to/(from) Earmarked Reserves	10	14,548	(14,548)	0	0	0	0	0
Increase/(Decrease)		1,923	(14,548)	0	0	(12,625)	49,622	36,997
Balance at 31 March 2024		17,236	30,300	977	305	48,818	(2,437,566)	(2,388,748)

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

PCC Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2023/24 and 2024/25 on the different reserves held by the Police and Crime Commissioner, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Police and Crime Commissioner's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/(decrease) shows the statutory General Fund balance movements in the year following those adjustments.

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		17,236	30,300	977	305	48,818	(2,437,566)	(2,388,748)
IFRS 16 Adjustment		0	0	0	0	0	2,627	2,627
Restated Balance at 1 April 2024		17,236	30,300	977	305	48,818	(2,434,939)	(2,386,121)
Movement in Reserves								
Total Comprehensive Income and Expenditure		67,426	0	0	0	67,426	8,143	75,569
Adjustments between accounting basis and funding basis under regulations	9	(72,962)	0	0	55	(72,907)	72,907	0
Transfers to/(from) Earmarked Reserves	10	6,669	(6,669)	0	0	0	0	0
Increase/(Decrease)		1,133	(6,669)	0	55	(5,481)	81,050	75,569
Balance at 31 March 2025		18,369	23,631	977	360	43,337	(2,353,889)	(2,310,552)

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		15,313	44,848	977	305	61,443	(2,487,188)	(2,425,745)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(8,423)	0	0	0	(8,423)	45,420	36,997
Adjustments between accounting basis and funding basis under regulations	9	(4,202)	0	0	0	(4,202)	4,202	0
Transfers to/(from) Earmarked Reserves	10	14,548	(14,548)	0	0	0	0	0
Increase/(Decrease)		1,923	(14,548)	0	0	(12,625)	49,622	36,997
Balance at 31 March 2024		17,236	30,300	977	305	48,818	(2,437,566)	(2,388,748)

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2023/24 and 2024/25 of providing services for the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation (precepts) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis note.

2023/24				2024/25			Notes
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	
430,781	(55,714)	375,067	Chief Constable	451,828	(68,299)	383,529	
3,134	(8)	3,126	Office of the Police and Crime Commissioner	2,623	(27)	2,596	30
9,668	(4,809)	4,859	Commissioning	11,256	(6,324)	4,932	27
443,583	(60,531)	383,052	Net Cost of Services	465,707	(74,650)	391,057	
			Other Operating Income and Expenditure				
176	0	176	Net (Surplus)/Deficit from the Sale of Non-Current Assets	567	0	567	20.3
3,989	0	3,989	(Gain)/Loss on Revaluation of Non-Current Assets	0	(800)	(800)	20.3
0	(52,573)	(52,573)	Pensions Top Up Grant	0	(52,185)	(52,185)	PFS
			Financing and Investment Income and Expenditure				
1,298	0	1,298	Interest Payable	1,745	0	1,745	18.2
0	(2,317)	(2,317)	Interest and Investment Income	0	(1,835)	(1,835)	18.2
47	(36)	11	Income and Expenditure in relation to Investment Properties and changes in their Fair Value	0	(54)	(54)	33
0	(1)	(1)	(Gain)/Loss on Financial Instruments	0	(46)	(46)	18.2
142,318	(19,025)	123,293	Pensions Interest	146,067	(21,457)	124,610	
			Taxation and Non-Specific Grant Income				
0	(202,611)	(202,611)	Police Grant	0	(214,687)	(214,687)	26
0	(15,461)	(15,461)	Council Tax Support Grants	0	(15,461)	(15,461)	26
0	(166,370)	(166,370)	Council Tax Precept	0	(177,137)	(177,137)	
0	(453)	(453)	Capital Grants, Contributions and Donations	0	(682)	(682)	26
591,411	(519,378)	72,033	(Surplus)/Deficit on Provision of Services	614,086	(558,994)	55,092	
		(45,064)	(Surplus)/Deficit on Revaluation of Non-Current Assets			(8,196)	11
		(63,966)	Remeasurement of the Net Defined Benefit Liability/(Asset)			(122,465)	31
		(109,030)	Other Comprehensive Income and Expenditure			(130,661)	
		(36,997)	Total Comprehensive Income and Expenditure			(75,569)	

Nicola Allen CPFA, Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

PCC Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2023/24 and 2024/25 of providing services for the Police and Crime Commissioner in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation (precepts) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis note.

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 - Intra-group transaction	451,828	(68,299)	383,529	4
3,134	(8)	3,126	Office of the Police and Crime Commissioner	2,623	(27)	2,596	30
9,668	(4,809)	4,859	Commissioning	11,256	(6,324)	4,932	27
443,583	(60,531)	383,052	Net Cost of Services	465,707	(74,650)	391,057	
			Other Operating Income and Expenditure				
176	0	176	Net (Surplus)/Deficit from the Sale of Non-Current Assets	567	0	567	20.3
3,989	0	3,989	(Gain)/Loss on Revaluation of Non-Current Assets	0	(800)	(800)	20.3
0	(52,573)	(52,573)	Pensions Top Up Grant - Intra-group transaction	0	(52,185)	(52,185)	PFS
			Financing and Investment Income and Expenditure				
1,298	0	1,298	Interest Payable	1,745	0	1,745	18.2
0	(2,317)	(2,317)	Interest and Investment Income	0	(1,835)	(1,835)	18.2
47	(36)	11	Income and Expenditure in relation to Investment Properties and changes in their Fair Value	0	(54)	(54)	33
0	(1)	(1)	(Gain)/Loss on Financial Instruments	0	(46)	(46)	18.2
433	(415)	18	Pensions Interest	462	(471)	(9)	
141,885	(18,610)	123,275	Pensions Interest - Intra-Group Transaction	145,605	(20,986)	124,619	4
			Taxation and Non-Specific Grant Income				
0	(202,611)	(202,611)	Police Grant	0	(214,687)	(214,687)	26
0	(15,461)	(15,461)	Council Tax Support Grants	0	(15,461)	(15,461)	26
0	(166,370)	(166,370)	Council Tax Precept	0	(177,137)	(177,137)	
0	(453)	(453)	Capital Grants, Contributions and Donations	0	(682)	(682)	26
0	(63,610)	(63,610)	Remeasurement of the Net Defined Benefit Liability (Asset) - Intra-Group Transaction	0	(122,518)	(122,518)	4
591,411	(582,988)	8,423	(Surplus)/Deficit on Provision of Services	614,086	(681,512)	(67,426)	
		(45,064)	(Surplus)/Deficit on Revaluation of Non-Current Assets			(8,196)	11
		(356)	Remeasurement of the Net Defined Benefit Liability (Asset)			53	31
		(45,420)	Other Comprehensive Income and Expenditure			(8,143)	
		(36,997)	Total Comprehensive Income and Expenditure			(75,569)	

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Group and PCC Balance Sheet

The Balance Sheet shows the value as at 31 March 2024 and 31 March 2025 of the assets and liabilities recognised by the Group and the Police and Crime Commissioner. The net assets of the Group/Police and Crime Commissioner (assets less liabilities) are matched by the reserves held by the Group/Police and Crime Commissioner. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Group/Police and Crime Commissioner is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

As at PCC £'000	31 March 2024 PCC Group £'000		As at PCC £'000	31 March 2025 PCC Group £'000	Notes
Long Term Assets					
222,263	222,263	Land and Buildings	238,270	238,270	11
1,198	1,198	Intangible Assets	899	899	12
5,316	5,316	Surplus Assets	5,292	5,292	11
31,632	33,466	Vehicle, Plant and Equipment	34,366	36,302	11
496	496	Investment Property	496	496	33
1,834	0	Intra-Group Debtors	1,936	0	4
262,739	262,739	Total Long Term Assets	281,259	281,259	
Current Assets					
885	885	Assets Held for Sale	885	885	16
1,731	1,731	Inventories	1,836	1,836	
9,179	41,614	Short Term Debtors	7,165	32,207	14
32,435	0	Intra-Group Debtors	25,042	0	4
18,867	18,867	Cash and Cash Equivalents	20,499	20,499	15
63,097	63,097	Total Current Assets	55,427	55,427	
Current Liabilities					
(18,000)	(18,000)	Short Term Borrowing	(22,500)	(22,500)	
(4,695)	(47,453)	Short Term Creditors	(1,665)	(45,034)	17
0	0	Finance Lease	(994)	(994)	34
(1,711)	(3,101)	Provisions	(1,855)	(2,441)	19
(44,148)	0	Intra-Group Creditors	(43,955)	0	4
(68,554)	(68,554)	Total Current Liabilities	(70,969)	(70,969)	
Long Term Liabilities					
(30,277)	(30,277)	Long Term Borrowing	(28,277)	(28,277)	32
(120)	(120)	Finance Lease	(7,415)	(7,415)	34
(1,041)	(1,041)	Provisions	(1,129)	(1,129)	19
(201)	(9,419)	Pensions Liability - Staff	(190)	(8,872)	31
0	(2,605,173)	Pensions Liability - Officers	0	(2,530,576)	31
(2,614,391)	0	Intra-Group Creditors	(2,539,258)	0	4
(2,646,030)	(2,646,030)	Total Long Term Liabilities	(2,576,269)	(2,576,269)	
(2,388,748)	(2,388,748)	Net Liabilities	(2,310,552)	(2,310,552)	
Represented by					
(2,437,566)	(2,437,566)	Unusable Reserves	(2,353,889)	(2,353,889)	20
48,818	48,818	Usable Reserves	43,337	43,337	
(2,388,748)	(2,388,748)	Total Reserves	(2,310,552)	(2,310,552)	

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

Nicola Allen CPFA, Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group and the Police and Crime Commissioner during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the way the Group has managed its cash outflows against the monies received by way of taxation, grant income and from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2023/24 PCC £'000	2023/24 PCC Group £'000		2024/25 PCC £'000	2024/25 PCC Group £'000	Notes
8,423	72,033	Net (Surplus) or Deficit on the Provision of Services	(67,426)	55,092	
		Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements			
6	(53,267)	(Increase)/Decrease in pensions liability	68	(47,321)	
(53,273)	0	(Increase)/Decrease in pensions liability - Intra-Group Transaction	(47,389)	0	
63,610	0	Actuarial Movement on Pension Funds - Intra-Group Transaction	122,518	0	
(2)	(16,411)	Depreciation and amortisation	(2)	(13,640)	
(16,409)	0	Depreciation and amortisation - Intra-Group Transaction	(13,638)	0	
4	(903)	(Increase)/Decrease in provisions	(232)	572	
(907)	0	(Increase)/Decrease in provisions - Intra-Group Transaction	804	0	
(176)	(176)	Surplus/(Loss) on sales of non-current assets	(567)	(567)	
(4,034)	(4,034)	Surplus/(Loss) on revaluation of non-current assets	800	800	
(546)	(6,284)	Movement in relevant assets/liabilities	(322)	(6,917)	
(5,738)	0	Movement in relevant assets/liabilities - Intra-Group Transaction	(6,595)	0	
(9,042)	(9,042)	Net Cash (Inflows)/Outflows from Operating Activities	(11,981)	(11,981)	21
12,992	12,992	Investing Activities	10,580	10,580	22
(8,825)	(8,825)	Financing Activities	(231)	(231)	23
(4,875)	(4,875)	Net (Increase)/Decrease in Cash and Cash Equivalents	(1,632)	(1,632)	
(13,992)	(13,992)	Cash and Cash Equivalents at the beginning of the reporting period	(18,867)	(18,867)	
(18,867)	(18,867)	Cash and Cash Equivalents at the end of the reporting period	(20,499)	(20,499)	15



PCC

Office of the Police
and Crime Commissioner
Devon and Cornwall

Notes to the Financial Statements

Note 1 Accounting Policies

1. GENERAL PRINCIPLES

The statement of accounts summarises the Groups transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Group 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.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- 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 Group'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

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 Group 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 Group.

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

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

7. COUNCIL TAX

The council tax income included in the Comprehensive Income and Expenditure Statement is the Group's share of accrued income for the year. However, regulations determine the amount of council tax that must be included in the Group's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Group's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

8. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Group has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

9. GOVERNMENT GRANTS AND CONTRIBUTIONS

Whether paid on account, by instalments or in arrears, government grants, third-party contributions are recognised as due to the Group when there is reasonable assurance that:

- the Group will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Group are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Amounts in the capital grants unapplied reserve are transferred to the Capital Adjustment Statement once they have been applied to fund capital expenditure.

Note 1 Accounting Policies Continued

10. FINANCIAL INSTRUMENTS

10.1 Financial Liabilities

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

For the borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

10.2 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Group holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL)

The Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

10.3 Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Group, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

10.4 Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

10.5 Fair Value Measurements of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are provided by the Group's Treasury advisors.

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

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets that the Group can access at the measurement date
- Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs: unobservable inputs for the asset

Note 1 Accounting Policies Continued

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

11. CASH AND CASH EQUIVALENTS

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

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

12. LEASES

12.1 The Group as Lessee

The Group classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

12.1.1 Initial Measurement

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

The Group initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Group is reasonably certain not to terminate early.

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

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

12.1.2 Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The Group considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews

Note 1 Accounting Policies Continued

- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

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

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

12.1.3 Low Value and Short Lease Exemption

As permitted by the Code, the Group excludes leases:

- for low-value items that cost less than £20k when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Group is reasonably certain to exercise and any termination options that the Group is reasonably certain not to exercise).

12.1.4 Lease Expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

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

13. JOINT OPERATIONS

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

14. OVERHEADS AND SUPPORT SERVICES

The cost of overheads and support services are charged to service segments in accordance with the Group's arrangements for accountability and financial performance.

Note 1 Accounting Policies Continued

15. EMPLOYEE BENEFITS

15.1 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 Group. 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 to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

15.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Police and Crime Commissioner or 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 Police and Crime Commissioner or 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 Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, 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.

15.3 Post-Employment Benefits

Employees of the Police and Crime Commissioner are members of the Local Government Pensions Scheme (CARE).

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 Group.

15.3.1 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,

Note 1 Accounting Policies Continued

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).

15.3.2 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.

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 Group 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 |

15.3.3 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 Group - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the 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 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 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):

Note 1 Accounting Policies Continued

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

15.3.4 Police Officers' Injury Benefits

The Group 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.

15.3.5 Impact on Reserves

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement of Reserves Statement, this means that there are 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.

15.4 Discretionary Benefits

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

16. PROVISIONS

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

A provision would be made for termination payments due to staff resulting from restructuring when the Group 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.

17. RESERVES

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back to the General Fund balance so that there is no net charge against council tax for the expenditure.

Note 1 Accounting Policies Continued

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Group – these reserves are explained in the notes to the accounts.

18. PROPERTY, PLANT AND EQUIPMENT

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.

18.1 Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment 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 Group 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.

18.2 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.

The Group does not capitalise borrowing costs incurred whilst the assets are under construction.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- | | | |
|---|---|---|
| • operational specialised property | - | depreciated replacement cost (DRC) |
| • operational non-specialised property assets | - | existing use value |
| • assets under construction | - | historical cost |
| • non-property assets | - | depreciated historical cost |
| • surplus assets | - | fair value, estimated at highest and best use from a market participant's perspective |

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Property assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end but as a minimum every three years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the Comprehensive Income and Expenditure Statement

Note 1 Accounting Policies Continued

18.3 Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

18.4 Depreciation

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

Depreciation is calculated on the following bases:

- Vehicles – are depreciated monthly, using the straight-line allocation, over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered
- Land and Buildings – the useful life of each building is assessed by the valuer and depreciated, using the straight-line allocation, from the first of the month of acquisition; the land value is not depreciated. Where an asset comprises two or more major components with substantially different useful lives, each component is accounted for separately
- Enhancements/Adaptions to leasehold buildings – are depreciated monthly, using the straight-line allocation, over the life of the lease
- Information and Communications Technology – 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
- Plant and Equipment – these assets are given specific asset lives and are depreciated monthly, using the straight-line allocation

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

18.5 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant, ICT, equipment and vehicles or assets held for sale) 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). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10k are categorised as capital receipts. Receipts are credited to the usable Capital Receipts Reserve and used for new capital investment or set aside to reduce the Group's underlying

Note 1 Accounting Policies Continued

need to borrow. Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

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. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

18.6 Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

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

18.7 Surplus Assets

Non-current assets which are surplus to service needs, but which do not meet the criteria required to be classified as investment property, or asset held for sale are classified as surplus assets within property, plant and equipment. Surplus assets can be categorised as either non-current assets or current assets, depending on their nature. These assets are depreciated.

19. INTANGIBLE ASSETS

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Group as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Group.

19.1 Measurement

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at cost less accumulated depreciation.

19.2 Amortisation

The depreciable amount of an intangible asset is amortised over its useful life and charged to the Comprehensive Income and Expenditure Statement.

19.3 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. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to other operating expenditure in the Comprehensive Income and Expenditure Statement.

19.4 Accounting

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Note 1 Accounting Policies Continued

20. 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.

21. INVENTORIES

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using an average cost formula.

22. LONG TERM CONTRACTS

Long term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

23. EXCEPTIONAL ITEMS

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

24. 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. This comprises:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service

The Group is not required to raise council tax to fund depreciation, amortisation, revaluation and impairment losses. However, it is required to make an annual contribution (minimum revenue provision) from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the Group in accordance with statutory guidance). Depreciation, amortisation, revaluation 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.

25. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The Group's accounting policy for fair value measurement of financial assets is set out in the note to the accounts. The Group also measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset, or
- b) in the absence of a principal market, in the most advantageous market for the asset

The Group measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Group takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group's valuers use valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1 Accounting Policies Continued

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Group's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 – unobservable inputs for the asset

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 these Group 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 Police and Crime Commissioner 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.
- 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 Police and Crime Commissioner as an Accounting Entity

The Police and Crime Commissioner is part of an accounting group along with the Chief Constable (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. The Police and Crime Commissioner's Balance Sheet reflects the continuing requirement on an elected policing body, as required under the Police Reform and Social Responsibility Act 2011, to provide funds to the Chief Constable from the Police Fund for the payment of assets and liabilities. It is reasonable to expect that should the Police and Crime Commissioner Group be required to settle future liabilities, 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 the Chief Constable's single entity accounts which are published separately. As the Chief Constable does not hold reserves, the Chief Constable's 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.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 4 The Police and Crime Commissioner as an Accounting Entity Continued

Intra-Group Transactions	2023/24		2024/25	
Comprehensive Income and Expenditure Statements	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
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	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
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 items in the Group 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.

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Note 7 Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used and funded from resources (government grants and council tax) by the Police and Crime Commissioner Group in comparison with those resources consumed or earned by the Police and Crime Commissioner Group in accordance with accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2024/25						Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
	£'000	£'000	£'000	£'000	£'000	(Note 7.1) £'000	(Note 7.2) £'000	(Note 7.3) £'000	£'000	£'000
Chief Constable	399,206	5,536	404,742	(21,213)	383,529	2,053	(25,045)	1,779	21,213	0
Office for the Police and Crime Commissioner	2,573	0	2,573	23	2,596	2	(51)	72	(21,213)	(21,190)
Commissioning	4,928	0	4,928	4	4,932	0	(7)	11	0	4
Net Cost of Services	406,707	5,536	412,243	(21,186)	391,057	2,055	(25,103)	1,862	0	(21,186)
Other Operating Income and Expenditure	0	0	0	(52,418)	(52,418)	(233)	(52,185)	0	0	(52,418)
Financing and Investment Income and Expenditure	(189)	0	(189)	124,609	124,420	0	124,609	0	0	124,609
Taxation and Non-Specific Grant Income	(406,518)	0	(406,518)	(1,449)	(407,967)	(682)	0	(767)	0	(1,449)
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	5,536	5,536	49,556	55,092	1,140	47,321	1,095	0	49,556

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Note 7 Expenditure and Funding Analysis Continued

	£'000
Opening Revenue Reserve Balance as at 31 March 2024	47,536
Less/Plus Surplus or (Deficit) on the General Fund in Year	(5,536)
Closing Revenue Reserve Balance as at 31 March 2025	<u>42,000</u>

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Note 7 Expenditure and Funding Analysis Continued

2023/24						Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
	£'000	£'000	£'000	£'000	£'000	(Note 7.1) £'000	(Note 7.2) £'000	(Note 7.3) £'000	£'000	£'000
Chief Constable	378,186	12,625	390,811	(15,744)	375,067	9,420	(17,429)	(7,735)	15,744	0
Office for the Police and Crime Commissioner	2,338	0	2,338	788	3,126	2	(20)	806	(15,744)	(14,956)
Commissioning	4,864	0	4,864	(5)	4,859	0	(4)	(1)	0	(5)
Net Cost of Services	385,388	12,625	398,013	(14,961)	383,052	9,422	(17,453)	(6,930)	0	(14,961)
Other Operating Income and Expenditure	0	0	0	(48,408)	(48,408)	4,165	(52,573)	0	0	(48,408)
Financing and Investment Income and Expenditure	(1,008)	0	(1,008)	123,293	122,285	0	123,294	(1)	0	123,293
Taxation and Non-Specific Grant Income	(384,380)	0	(384,380)	(516)	(384,896)	(453)	0	(63)	0	(516)
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	12,625	12,625	59,408	72,033	13,134	53,268	(6,994)	0	59,408

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Note 7 Expenditure and Funding Analysis Continued

	£'000
Opening Revenue Reserve Balance as at 31 March 2023	60,161
Less/Plus Surplus or (Deficit) on the General Fund in Year	(12,625)
Closing Revenue Reserve Balance as at 31 March 2024	47,536

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Note 7 Expenditure and Funding Analysis Continued

7.1 Adjustment for Capital Purposes

This column includes depreciation, amortisation, minimum revenue provision, finance lease, revenue contributions, impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** - adjusts for capital disposals with a transfer of income on disposals of assets and the amounts written off for those assets.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

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 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.

7.3 Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and the amounts payable/receivable to be recognised under statute:

- **For services** - accumulated absences that have been accrued for absences earned but not taken in the year.
- **For financing and investment income and expenditure** the other difference column recognises adjustments to the General Fund that do not fall into one of the above categories, such as gains/losses on financial instruments.
- The charge under **taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax that was projected to be received at the start of the year and the income recognised under generally accepted accounting policies in the code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the collection fund.

7.4 Chief Constable Outturn

The Chief Constable reported outturn is the sum of the amount disclosed against the Chief Constable line and the amount shown against the financing and investment income and expenditure line. In the Statement of Accounts, the financing and investment income and expenditure line is under the control of the Police and Crime Commissioner and is excluded from the Chief Constable's Comprehensive Income and Expenditure Statement and Expenditure and Funding Analysis Statement but shown in the equivalent Police and Crime Commissioner statements.

7.5 Net Expenditure in the CIES

The balance of £55.092m consists of the adjustments between the funding and accounting basis (£49.556m) and reserve adjustments (£5.536m). Please see the adjustments between the funding and accounting basis note for further information. The reserve adjustments net total of £5.536m included revenue contributions to finance capital of £8.842m.

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Note 8 Expenditure and Income Analysed by Nature

The Group's expenditure and income is analysed as follows:

2023/24	Expenditure/Income	2024/25
£'000		£'000
	Expenditure	
337,133	Employee benefit expenses	359,061
90,039	Other service expenses	93,006
16,411	Depreciation, amortisation, impairment	13,640
1,298	Interest payable	1,745
3,989	Loss on revaluation of non-current assets	0
47	Loss on revaluation of investment property and expenditure	0
176	Loss on the sale of non-current assets	567
142,318	Pensions interest	146,067
591,411	Total Expenditure	614,086
	Income	
(22,267)	Fees, charges and other service income	(25,279)
0	Gain on revaluation of non-current assets	(800)
(1)	Gain on financial instruments	(46)
(36)	Gain on revaluation of investment property and income	(54)
(2,317)	Interest and investment income	(1,835)
(19,025)	Pensions interest	(21,457)
(166,370)	Income from council tax	(177,137)
(309,362)	Government grants, contributions and donations	(332,386)
(519,378)	Total Income	(558,994)
72,033	Deficit on the Provision of Services	55,092

Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Police and Crime Commissioner Group in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Police and Crime Commissioner Group to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

9.1 General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Group are required to be paid and out of which all liabilities of the Group are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Group is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Group is required to recover) at the end of the financial year.

9.2 Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

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Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

9.3 Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Group has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Current Year - Police and Crime Commissioner Group	2024/25			Unusable Reserves
	Usable Reserves			
	General Balances	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	
Adjustments to Revenue Resources				£'000
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	47,321	0	0	(47,321)
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	(768)	0	0	768
Holiday pay (transferred to the Accumulated Absences Reserve)	1,860	0	0	(1,860)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA):	13,411	0	0	(13,411)
Total Adjustments to Revenue Resources	61,824	0	0	(61,824)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	37	0	(37)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(682)	0	127	555
Statutory provision for the repayment of debt (transfer from the CAA)	(2,744)	0	0	2,744
Capital expenditure financed from revenue balances (transfer to the CAA)	(8,842)	0	0	8,842
Total Adjustments between Revenue and Capital Resources	(12,268)	37	127	12,104
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(37)	0	37
Application of Capital Grants to finance capital expenditure	0	0	(72)	72
Total Adjustments to Capital Resources	0	(37)	(72)	109
Total Adjustments excluding Earmarked Adjustments	49,556	0	55	(49,611)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				(49,611)

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Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Comparative Year - Police and Crime Commissioner Group		2023/24		
		Usable Reserves		Unusable Reserves
	General Balances	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:.				
Pensions costs (transferred to (or from) the Pensions Reserve)	53,267	0	0	(53,267)
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	(62)	0	0	62
Holiday pay (transferred to the Accumulated Absences Reserve)	1,269	0	0	(1,269)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)):	20,621	0	0	(20,621)
Total Adjustments to Revenue Resources	75,095	0	0	(75,095)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	0	0	0
Transfer of Capital Grants and contributions to the Capital Grant Reserve	(453)	0	453	0
Statutory provision for the repayment of debt (transfer from the CAA)	(2,452)	0	0	2,452
Capital expenditure financed from revenue balances (transfer to the CAA)	(12,782)	0	0	12,782
Total Adjustments between Revenue and Capital Resources	(15,687)	0	453	15,234
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure and disposal costs	0	0	0	0
Application of Capital Grants to finance capital expenditure	0	0	(453)	453
Total Adjustments to Capital Resources	0	0	(453)	453
Total Adjustments excluding Earmarked Adjustments	59,408	0	0	(59,408)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				(59,408)

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Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Current Year - Police and Crime Commissioner		2024/25		
		Usable Reserves		Unusable Reserves
		General Balances	Capital Receipts Reserve	Capital Grants Unapplied
		£'000	£'000	£'000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	(68)	0	0	68
Pensions costs - Intra-Group Transactions	47,389	0	0	(47,389)
Pensions Remeasurement - Intra-Group Transactions	(122,518)	0	0	122,518
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	(768)	0	0	768
Holiday pay (transferred to the Accumulated Absences Reserve)	14	0	0	(14)
Holiday pay - Intra-Group Transactions	1,846	0	0	(1,846)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA):	(230)	0	0	230
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA) - Intra-Group Transactions	13,641	0	0	(13,641)
Total Adjustments to Revenue Resources	(60,694)	0	0	60,694
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	37	0	(37)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(682)	0	127	555
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(2,744)	0	0	2,744
Capital expenditure financed from revenue balances (transfer to the CAA)	(3,965)	0	0	3,965
Capital expenditure financed from revenue balances (transfer to the CAA) - Intra-Group Transactions	(4,877)	0	0	4,877
Total Adjustments between Revenue and Capital Resources	(12,268)	37	127	12,104
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure and disposal costs	0	(37)	0	37
Application of Capital Grants to finance capital expenditure	0	0	(72)	72
Total Adjustments to Capital Resources	0	(37)	(72)	109
Total Adjustments excluding Earmarked Adjustments	(72,962)	0	55	72,907
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				72,907

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Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Comparative Year - Police and Crime Commissioner	2023/24 Restated			Unusable Reserves
	Usable Reserves			
	General Balances	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	(6)	0	0	6
Pensions costs - Intra-Group Transactions	53,273	0	0	(53,273)
Pensions Remeasurement - Intra-Group Transactions	(63,610)	0	0	63,610
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	(62)	0	0	62
Holiday pay (transferred to the Accumulated Absences Reserve)	7	0	0	(7)
Holiday pay - Intra-Group Transactions	1,263	0	0	(1,263)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)):	4,210	0	0	(4,210)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA) - Intra-Group Transactions	16,410	0	0	(16,410)
Restated Total Adjustments to Revenue Resources*	11,485	0	0	(11,485)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	0	0	0
Transfer of Capital Grants and contributions to the Capital Grant Reserve	(453)	0	453	0
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(2,452)	0	0	2,452
Capital expenditure financed from revenue balances (transfer to the CAA)	(8,201)	0	0	8,201
Capital expenditure financed from revenue balances (transfer to the CAA) - Intra-Group Transactions	(4,581)	0	0	4,581
Restated Total Adjustments between Revenue and Capital Resources	(15,687)	0	453	15,234
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure and disposal costs	0	0	0	0
Application of Capital Grants to finance capital expenditure	0	0	(453)	453
Total Adjustments to Capital Resources	0	0	(453)	453
Total Adjustments excluding Earmarked Adjustments	(4,202)	0	0	4,202
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				
Total Adjustments including Earmarked Adjustments				0
				4,202

*The intra-group transactions total has been categorised by resource type for transparency. These changes have had no impact on any other note or prime statement.

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Note 10 Movement in Earmarked Reserves

This note sets out the amounts set aside from the General Fund in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund expenditure in the year.

	Balance at 1 April 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance at 31 March 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget Management Fund	8,300	(7,895)	7,194	7,599	(3,328)	2,147	6,418
Vision Zero South West Reserve	5,242	(1,319)	455	4,378	(7,257)	5,345	2,466
Capital Financing Reserve	16,226	(7,744)	2,650	11,132	(3,759)	1,628	9,001
Estates Development Reserve	883	(869)	0	14	0	0	14
Police and Crime Plan Reserve	1,515	(439)	0	1,076	(145)	0	931
Airwave Replacement Reserve	10,225	(6,124)	0	4,101	0	0	4,101
Uplift Reserve	453	(453)	0	0	0	0	0
Improvement Reserve	2,004	(1,714)	1,710	2,000	(1,300)	0	700
Total	44,848	(26,557)	12,009	30,300	(15,789)	9,120	23,631

The purpose of the Funds and Reserves held at 31 March 2025 are set out below:

Budget Management Fund	This is a fund to allow the transfer of carry-forward requests to the following year.
Vision Zero South West Reserve	This reserve is the ring-fenced pooled balance of the Vision Zero South West Road Safety Partnership.
Capital Financing Reserve	To fund capital investment.
Estates Development Reserve	To fund revenue cost of rationalising and developing the estate including planning applications, consultancy costs and project management.
Police and Crime Plan Reserve	To fund planned Police and Crime Plan developments.
Airwave Replacement Reserve	To fund enabling work and acquisition of national communication systems and hardware.
Uplift Reserve	To hold funds for infrastructure relating to the future years uplift programme.
Improvement Reserve	To fund specific Business Improvement Projects.

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Note 11 Property, Plant and Equipment

This table sets out the 2024/25 property, plant and equipment for the Police and Crime Commissioner Group.

Movements for 2024/25						
	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	226,317	57,889	178	8,916	5,316	298,616
IFRS 16 Adjustment	14,253	104	0	0	0	14,357
Restated Balance at 1 April 2024	240,570	57,993	178	8,916	5,316	312,973
Additions	3,352	6,941	0	1,557	86	11,936
Lease Addition/Remeasurement	(2,524)	0	0	0	0	(2,524)
Revaluation recognised in the Revaluation Reserve	4,532	0	0	0	(110)	4,422
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	667	0	0	0	0	667
Derecognition-Disposals	(46)	(13,960)	(172)	(18)	0	(14,196)
Reclassification	(9,824)	15,504	3,281	(8,946)	0	15
Balance at 31 March 2025	236,727	66,478	3,287	1,509	5,292	313,293
Accumulated Depreciation and Impairments						
Balance at 1 April 2024	(4,232)	(33,324)	0	(15)	0	(37,571)
Depreciation Charge	(5,724)	(7,653)	37	0	0	(13,341)
Depreciation written out to the Revaluation Reserve	3,774	0	0	0	0	3,774
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	133	0	0	0	0	133
Derecognition-Disposals	45	13,546	0	0	0	13,591
Reclassification	4,260	(4,254)	(37)	15	0	(15)
Balance at 31 March 2025	(1,744)	(31,685)	0	0	0	(33,429)
Net Book Value						
Balance at 31 March 2024	222,085	24,565	178	8,901	5,316	261,045
Balance at 31 March 2025	234,983	34,793	3,287	1,509	5,292	279,864

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Note 11 Property, Plant and Equipment Continued

This table sets out the 2023/24 property, plant and equipment for the Police and Crime Commissioner Group.

Movements for 2023/24						
	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	185,750	55,065	178	5,140	3,806	249,939
Additions	4,071	9,471	0	3,776	0	17,319
Revaluation recognised in the Revaluation Reserve	38,376	0	0	0	1,400	39,776
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(477)	0	0	0	0	(477)
Derecognition-Disposals	(1,293)	(6,647)	0	0	0	(7,940)
Reclassification	(110)	0	0	0	110	0
Balance at 31 March 2024	226,317	57,889	178	8,916	5,316	298,616
Accumulated Depreciation and Impairments						
Balance at 1 April 2023	(4,051)	(32,503)	0	(15)	0	(36,569)
Depreciation Charge	(8,807)	(7,292)	0	0	0	(16,099)
Depreciation written out to the Revaluation Reserve	5,286	0	0	0	2	5,288
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	2,045	0	0	0	0	2,045
Derecognition-Disposals	1,293	6,471	0	0	0	7,764
Reclassification	2	0	0	0	(2)	0
Balance at 31 March 2024	(4,232)	(33,324)	0	(15)	0	(37,571)
Net Book Value						
Balance at 31 March 2023	181,699	22,562	178	5,125	3,806	213,370
Balance at 31 March 2024	222,085	24,565	178	8,901	5,316	261,045

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 11 Property, Plant and Equipment Continued

This table sets out the 2024/25 property, plant and equipment for the Police and Crime Commissioner.

Movements for 2024/25						
	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	226,317	49,859	178	8,906	5,316	290,576
IFRS 16 Adjustment	14,253	104	0	0	0	14,357
Restated Balance at 1 April 2024	240,570	49,963	178	8,906	5,316	304,933
Additions	3,352	6,318	0	1,497	86	11,253
Lease Addition/Remeasurement	(2,524)	0	0	0	0	(2,524)
Revaluation recognised in the Revaluation Reserve	4,532	0	0	0	(110)	4,422
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	667	0	0	0	0	667
Derecognition-Disposals	(46)	(8,936)	(172)	(19)	0	(9,173)
Reclassification	(9,824)	15,433	3,281	(8,875)	0	15
Balance at 31 March 2025	236,727	62,778	3,287	1,509	5,292	309,593
Accumulated Depreciation and Impairments						
Balance at 1 April 2024	(4,232)	(27,118)	0	(15)	0	(31,365)
Depreciation Charge	(5,724)	(7,072)	37	0	0	(12,761)
Depreciation written out to the Revaluation Reserve	3,774	0	0	0	0	3,774
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	133	0	0	0	0	133
Derecognition-Disposals	45	8,523	0	0	0	8,568
Reclassification	4,260	(4,254)	(37)	15	0	(15)
Balance at 31 March 2025	(1,744)	(29,921)	0	0	0	(31,665)
Net Book Value						
Balance at 31 March 2024	222,085	22,741	178	8,891	5,316	259,211
Balance at 31 March 2025	234,983	32,857	3,287	1,509	5,292	277,928

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Note 11 Property, Plant and Equipment Continued

This table sets out the 2023/24 property, plant and equipment for the Police and Crime Commissioner.

Movements for 2023/24						
	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	185,750	46,885	178	5,140	3,806	241,759
Additions	4,071	8,846	0	3,766	0	16,683
Revaluation recognised in the Revaluation Reserve	38,376	0	0	0	1,400	39,776
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(477)	0	0	0	0	(477)
Derecognition-Disposals	(1,293)	(5,872)	0	0	0	(7,165)
Reclassification	(110)	0	0	0	110	0
Balance at 31 March 2024	226,317	49,859	178	8,906	5,316	290,576
Accumulated Depreciation and Impairments						
Balance at 1 April 2023	(4,051)	(26,832)	0	(15)	0	(30,898)
Depreciation Charge	(8,807)	(5,981)	0	0	0	(14,788)
Depreciation written out to the Revaluation Reserve	5,286	0	0	0	2	5,288
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	2,045	0	0	0	0	2,045
Derecognition-Disposals	1,293	5,695	0	0	0	6,988
Reclassification	2	0	0	0	(2)	0
Balance at 31 March 2024	(4,232)	(27,118)	0	(15)	0	(31,365)
Net Book Value						
Balance at 31 March 2023	181,699	20,053	178	5,125	3,806	210,861
Balance at 31 March 2024	222,085	22,741	178	8,891	5,316	259,211

11.1 Recognition

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

- Land and buildings £20k
- All other assets £20k

11.2 Surplus Assets

Four properties have been classed as Surplus Assets as at the 31 March 2025 (31 March 2024: four properties).

11.3 Depreciation

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

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 11 Property, Plant and Equipment Continued

11.3.1 Land and Buildings

The asset lives for individual buildings are assessed by the valuer and are within the range of 1-56 years. Buildings are depreciated monthly over the forecast useful life of the asset.

11.3.2 Vehicles

Classes of vehicle are given specific asset lives. These are within the range 1-29 years. Vehicles are depreciated monthly over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered.

11.3.3 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.

11.3.4 Plant and Equipment

Classes of plant and equipment assets are given specific asset lives these are within the range 1-10 years. These assets are depreciated monthly over the forecast useful life of the asset.

11.4 Significant Capital Commitments

The nature of capital expenditure is such that long lead times and significant programmes of work often result in slippage in incurring expenditure. The unspent capital funding in 2024/25 will be carried forward to meet the cost of future and ongoing schemes that were provided for in that year. As at 31 March 2025, significant capital commitments amounted to £7.543m (31 March 2024: £8.771m).

11.5 Revaluations

Land and buildings are revalued by qualified external valuers. Following the full valuation that took place as at 31 March 2024, one third of properties underwent a full valuation as at 31 March 2025, with desktop valuations being undertaken to value the remaining two thirds of properties. Next year another one third of properties will have a full valuation. Valuations are carried out in accordance with the methodologies and bases for estimation set out in the updated professional standards of the Royal Institution of Chartered Surveyors and the UK Valuation Practice Guidance Application which is in line with the CIPFA Code.

11.6 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.

11.7 Derecognition

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

11.8 Fair Value Measurement

Level 2 valuation techniques have been used to determine the fair values of Surplus Assets. This process requires these properties to be measured using a market approach which takes into account transactional evidence for similar assets in active markets. Market conditions are such that comparable properties are actively purchased and sold and there is good level of observable inputs which are able to be verified and the source identified.

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Note 11 Property, Plant and Equipment Continued

11.9 Impairment

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

11.10 Leases

The Land and Buildings and Equipment opening balances have been adjusted by £14.357m to include the impact of IFRS 16 which came into effect on 1 April 2024. The leases have been remeasured during the year and amounted to £12.814m (Right-of-use assets: Land and Buildings £11.229m and Equipment £0.104m; and Peppercorn assets £1.481m). Depreciation is charged from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. Depreciation relating to leases amounted to £1.737m resulting in a net book value of £11.077m. Further information can be found in the Leases note.

Note 12 Intangible Assets

All of the intangible assets held are ICT software and are recognised separately from the tangible asset with which they are associated. Where the value of the intangible asset is more than 25% of gross expenditure and greater than £100k of the main asset value.

2023/24		2024/25
Non-Operational Assets		Non-Operational Assets
£'000		£'000
	Balance at start of year	
2,870	Gross carrying amounts	2,174
(1,360)	Accumulated amortisation	(976)
1,510	Net carrying amount at start of year	1,198
(696)	Derecognition - Gross Value	(121)
696	Derecognition - Gross Amortisation	121
(312)	Amortisation for the period	(299)
1,198	Net carrying amount at end of year	899
	Comprising:	
2,174	Gross carrying amounts	2,053
(976)	Accumulated Amortisation	(1,154)
1,198		899

12.1 Amortisation

All intangible assets are given a finite life, based on assessments of the period that the software is expected to be of use to the Group. Asset lives range from 1-3 years and the carrying amount is amortised on a straight-line basis.

12.2 Derecognition

An annual review of intangible assets has been undertaken which resulted in the derecognition of a number of assets that have reached the end of their useful lives or which were disposed during the year.

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Note 13 Capital Reserves

A description of these reserves can be found in the Adjustments between Accounting Basis and Funding Basis under Regulations Note.

	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total £'000
Balance at 1 April 2023	977	305	1,282
Financing of Fixed Assets	0	(453)	(453)
Capital Grants/Receipts Received	0	453	453
Balance at 31 March 2024	977	305	1,282
Financing of Fixed Assets	(37)	(72)	(109)
Capital Grants/Receipts Received	37	127	164
Balance at 31 March 2025	977	360	1,337
Net Movement for 2023/24	0	0	0
Net Movement for 2024/25	0	55	55

Note 14 Debtors

31 March 2024			31 March 2025	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
3,118	15,065	Central Government Bodies	3,339	18,251
6,032	10,069	Other Local Authorities	3,654	6,331
0	0	National Health Service	128	134
29	16,480	Other Entities and Individuals	44	7,491
9,179	41,614	Total Debtors	7,165	32,207

Note 15 Cash and Cash Equivalents

31 March 2024			31 March 2025	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
31	31	Cash held by the Police and Crime Commissioner (Amortised Cost)	31	31
1,559	1,559	Bank operational current accounts (Amortised Cost)	1,119	1,119
1,590	1,590	Total Cash and Cash Equivalents (Amortised Cost)	1,150	1,150
699	699	Bank operational current accounts (FVPL)	700	700
16,578	16,578	Short-term deposits (FVPL)	18,649	18,649
17,277	17,277	Total Cash and Cash Equivalents (FVPL)	19,349	19,349
18,867	18,867	Total Cash and Cash Equivalents	20,499	20,499

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Note 16 Assets Held for Sale

31 March 2024		31 March 2025
£'000		£'000
6,442	Balance at the 1 April	885
(5,557)	Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	0
885	Balance at the 31 March	885

16.1 Revaluations

Land and buildings are revalued by qualified external valuers. Following, the full valuation that took place as at 31 March 2024, one third of properties underwent a full valuation as at 31 March 2025, with desktop valuations being undertaken to value the remaining two thirds of properties. Next year another one third of properties will have a full valuation. Valuations are carried out in accordance with the methodologies and bases for estimation set out in the updated professional standards of the Royal Institution of Chartered Surveyors and the UK Valuation Practice Guidance Application which is in line with the CIPFA Code.

16.2 Fair Value Measurement

Level 2 valuation techniques have been used to determine the fair values of Surplus Assets. This process requires these properties to be measured using a market approach which takes into account transactional evidence for similar assets in active markets. Market conditions are such that comparable properties are actively purchased and sold and there is good level of observable inputs which are able to be verified and the source identified.

Note 17 Creditors

31 March 2024			31 March 2025	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
0	(6,923)	Central Government Bodies	0	(7,178)
(3,701)	(9,378)	Other Local Authorities	(536)	(6,178)
(334)	(334)	National Health Service	(347)	(679)
(660)	(30,818)	Other Entities and Individuals	(782)	(30,999)
(4,695)	(47,453)	Total Creditors	(1,665)	(45,034)

The balance against other entities and individuals in the Police and Crime Commissioner Group includes accumulated absence creditors of £14,778k (2023/24 £12,918k).

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Note 18 Financial Instruments

18.1 Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet.

	Long Term		Current	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
Cash and Cash Equivalents (18.1.2)				
Amortised Cost	0	0	1,590	1,150
Fair value through profit or loss	0	0	17,277	19,349
Total Cash and Cash Equivalents	0	0	18,867	20,499
Debtors (Trade Receivables)*				
Amortised Cost	0	0	3,677	3,667
Total included in Debtors	0	0	3,677	3,667
Borrowings (18.1.3)				
Amortised Cost	(30,277)	(28,277)	(18,000)	(22,500)
Total Borrowings	(30,277)	(28,277)	(18,000)	(22,500)
Finance Lease				
Amortised Cost	(121)	(7,415)	(80)	(994)
Total Finance Lease	(121)	(7,415)	(80)	(994)
Creditors (Trade Payables)**				
Amortised Cost	0	0	(17,872)	(15,836)
Total included in Creditors	0	0	(17,872)	(15,836)

*The trade receivables figure of £3,667k shown above is the net balance after removing non-cashable items such as prepayments, £3,824k from the other entities and individual's debtor balance of £7,491k as shown in the debtors note.

** The trade payables figure of (£15,836k) shown above is the net balance after removing non-cashable items such as accumulated absence of (£14,778k), receipts in advance of (£30k) and prepayment creditors (£355k) from the other entities and individual's creditor balance of (£30,999k) as shown in the creditors note.

18.1.1 Investments

Financial assets at fair value through profit and loss consist of deposits with external fund managers. These are valued by reference to quoted market price.

18.1.2 Cash and cash equivalents

Cash and cash equivalents consist of the bank current account, on call accounts, deposit account and money market funds all of which are repayable at 24 hours' notice without penalty.

18.1.3 Borrowing

All long-term borrowing was from the Public Works Loan Board, an executive agency of HM Treasury. Annual repayments are for interest only and the principal is repayable at the date of loan maturity.

All short-term borrowing was arranged from Local Authorities to cover short term fluctuations in cash.

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Note 18 Financial Instruments Continued

18.2 Income, Expense, Gains and Losses

	2023/24 £'000	2024/25 £'000
Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure		
Net (gains)/losses on:		
Financial assets measured at amortised cost	(1)	(46)
Total net (gains)/losses	(1)	(46)
Interest revenue		
Financial assets measured at fair value through profit and loss	(2,191)	(1,822)
Financial assets measured at amortised cost	(126)	(13)
Total Interest revenue	(2,317)	(1,835)
Interest expense		
Financial liabilities measured at amortised cost	1,298	1,745
Total Interest expense	1,298	1,745

18.3 Fair Value of Financial Assets and Financial Liabilities

Financial liabilities and financial assets can be assessed by calculating the present value of the cash flow that will take place over the remaining term of the instruments, using the following assumptions:

- The fair value balances for financial assets as at 31 March 2025 have been calculated using interest rates in force and with reference to quoted markets where appropriate as at 31 March 2024 and 2025
- The long-term borrowing as at 31 March 2024 and 31 March 2025 have been calculated by reference to market interest rates
- The fair value of trade receivables and payables is taken to be the invoiced or the billed amount
- The discount rate used in the calculation of the fair value of the finance lease liabilities has been calculated by reference to PWLB rates or the rate implicit in the lease if known
- Level 1 input has been used to measure the fair value of the financial assets which uses quoted prices in active markets for identical assets as a basis of valuation
- Level 2 input has been used to measure the fair value of the financial liabilities

There have been no transfers between levels 1 and 2 and no change in valuation technique during the year

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 18 Financial Instruments Continued

	31 March 2024	31 March 2024	31 March 2025	31 March 2025
Financial Assets				
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Investments held at Amortised Cost	1,590	1,590	1,150	1,150
Investments held at FVPL	17,277	17,277	19,349	19,349
Debtors (Trade Receivables)	3,677	3,677	3,667	3,667
	22,544	22,544	24,166	24,166
Financial Liabilities				
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Short Term Borrowing	(18,000)	(18,025)	(22,500)	(22,554)
Long Term Borrowing	(30,277)	(28,998)	(28,277)	(26,058)
Creditors (Trade Payables)	(17,872)	(17,872)	(15,836)	(15,836)
Finance Lease	(201)	(185)	(8,409)	(8,409)
	(66,350)	(65,080)	(75,022)	(72,857)

18.4 Nature and extent of risks arising from financial instruments

The Police and Crime Commissioner's activities expose it to a variety of financial risks, including:

- credit risk the possibility that other parties might fail to pay amounts due to the Police and Crime Commissioner
- liquidity risk the possibility that the Police and Crime Commissioner might not have funds available to meet its commitments to make payments
- market risk the possibility that financial loss may arise for the Police and Crime Commissioner as a result of changes in such measures as interest rates and stock market movements

The Police and Crime Commissioner's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Treasury Team in consultation with Arlingclose (Treasury Advisors), under policies approved by the Police and Crime Commissioner in the Treasury Management Strategy. The Police and Crime Commissioner provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

18.4.1 Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Police and Crime Commissioner's customers.

This risk is minimised through the Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. The Treasury Management Strategy also imposes a maximum sum to be invested with a financial institution located within each category. The credit criteria in respect of financial assets held by the Police and Crime Commissioner are contained within the Treasury Management Strategy which is published on the Police and Crime Commissioner website. The Police and Crime Commissioner exposure to credit risk is an average credit rating of A+.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 18 Financial Instruments Continued

18.4.2 Credit Risk Management Practices

The Police and Crime Commissioner's credit risk management practices are set out in the Treasury Management Strategy.

For 2024/25, a 0.28% loss allowance of trade receivables has been calculated as well as the 12 month expected credit loss on investments held with banks. The total loss allowance amounted to £19.9k,

18.4.3 Liquidity Risk

The Police and Crime Commissioner has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Police and Crime Commissioner has ready access to borrowings from the money markets, the Public Works Loan Board and Local Authorities. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Police and Crime Commissioner will be bound to replenish a significant proportion of its borrowing at a time of unfavourable interest rates.

The maturity analysis of borrowing held as at 31 March 2025 is shown in the long term borrowing note.

At 31 March 2025 the Police and Crime Commissioner held £23.928m (31 March 2024 £21.088m) in on-call and money market fund accounts to manage short term liquidity requirements.

18.4.4 Market Risk

18.4.4.1 Interest Rate Risk

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

- borrowings at fixed rates the fair value of the liabilities borrowings will fall
- investments at variable rates the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Police and Crime Commissioner manages interest rate risk by setting indicators to control the exposure. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The Treasurer assesses interest rate exposure that feeds into the setting of the annual budget, and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

All borrowing held at 31 March 2025 is with fixed interest rates. All investments held have variable rates. If interest rates had been 1% higher with all other variables held constant, the financial effect on interest receivable on investments would be £239k. This would have an impact on the Surplus or Deficit on the Provision of Services. The impact of 1% fall in interest rates would be as above but with the movements being reversed.

18.4.4.2 Price Risk

The Police and Crime Commissioner is exposed to price risk in terms of movement in the value of pooled investments and financial assets valued at fair value through profit and loss. Controls for this exposure is set out in the Treasury Management Strategy.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 19 Provisions

2024/25	Insurance £'000	Remuneration £'000	Other £'000	Total £'000
Current Liabilities				
Balance at 1 April 2024	(1,711)	(1,390)	0	(3,101)
Additional provisions made	(793)	(56)		(849)
Amounts used / reversed / change in reserve	649	860		1,509
Balance at 31 March 2025	(1,855)	(586)	0	(2,441)
Long Term Liabilities				
Balance at 1 April 2024	(1,041)	0	0	(1,041)
Additional provisions made	(793)	0	0	(793)
Amounts used / reversed / change in reserve	705	0	0	705
Balance at 31 March 2025	(1,129)	0	0	(1,129)
Total Provisions Balance	(2,984)	(586)	0	(3,570)

2023/24	Insurance £'000	Remuneration £'000	Other £'000	Total £'000
Current Liabilities				
Balance at 1 April 2023	(1,713)	(461)	(22)	(2,196)
Additional provisions made	(457)	(1,160)	0	(1,617)
Amounts used / reversed / change in reserve	459	231	22	712
Balance at 31 March 2024	(1,711)	(1,390)	0	(3,101)
Long Term Liabilities				
Balance at 1 April 2023	(1,042)	0	0	(1,042)
Additional provisions made	(458)	0	0	(458)
Amounts used / reversed / change in reserve	459	0	0	459
Balance at 31 March 2024	(1,041)	0	0	(1,041)
Total Provisions Balance	(2,752)	(1,390)	0	(4,142)

19.1 Insurance Provision

The Police and Crime Commissioner is uninsured for the first £0.500m of individual public and employer's liability claims and for motors claims £0.550m. The Police and Crime Commissioner for Devon and Cornwall and the Police and Crime Commissioner for Dorset have a single insurance policy with a stop loss of £4.4m for public and employer's liability claims and £1.9m for motor claims. The insurance provision is to cover any claims from 2024/25 and previous years. The payments from the provision are expected to be made over the next five years. An assessment of liabilities as at 31 March 2025 has been undertaken and the provision has been increased to a level estimated to be sufficient to meet all the forecast obligations.

19.2 Remuneration Provision

19.2.1 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.

19.2.2 Employment termination

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

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Note 20 Unusable Reserves

31 March 2024			31 March 2025
£'000	Note		£'000
100,732	20.1	Revaluation Reserve	109,941
86,507	20.2	Capital Adjustment Account	86,925
(2,614,591)	20.3	Pensions Reserve	(2,539,449)
2,704	20.4	Collection Fund Adjustment Account	3,472
(12,918)	20.5	Accumulated Absences Account	(14,778)
(2,437,566)		Total Unusable Reserves	(2,353,889)

20.1 Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

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

2023/24			2024/25
£'000	£'000		£'000
	60,106	Balance at 1 April	100,732
	0	IFRS 16 Adjustment	2,519
	60,106	Restated Balance at 1 April	103,251
	45,064	Upward/(Downward) revaluation of assets and impairment losses not posted to the Surplus/Deficit on the Provision of Services	8,196
(3,991)		Difference between fair value depreciation and historical cost depreciation	(1,506)
(447)		Accumulated gains on assets sold or scrapped	0
	(4,438)	Amount written off to the Capital Adjustment Account	(1,506)
	100,732	Balance at 31 March	109,941

20.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Police and Crime Commissioner as finance for the costs of acquisition, construction, and enhancement. The account contains accumulated gains and losses on investment properties that have yet to be consumed by the Police and Crime Commissioner. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 20 Unusable Reserves Continued

2023/24 £'000	Capital Adjustment Account	2024/25 £'000
87,003	Balance at 1 April	86,507
0	IFRS 16 Adjustment	107
87,003	Restated Balance at 1 April	86,614
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(16,099)	• Charges for depreciation and impairment of non-current assets	(13,341)
(4,034)	• Revaluation losses on Property, Plant and Equipment	800
(312)	• Amortisation of intangible assets	(299)
(176)	• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(567)
(20,621)		(13,407)
4,438	Adjusting amounts written out of the Revaluation Reserve	1,506
(16,183)	Net written out amount of the cost of non-current assets consumed in the year	(11,901)
Capital Financing applied in the year:		
453	• Capital grants, contributions and donations credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	72
2,452	• Statutory provision for the financing of capital investment charged against the General Fund balances	2,744
12,782	• Capital expenditure charged against the General Fund balances	8,842
15,687		11,658
0	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	554
86,507	Balance at 31 March	86,925

20.3 Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Police and Crime Commissioner accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Police and Crime Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Police and Crime Commissioner has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 20 Unusable Reserves Continued

2023/24		Pension Reserve	2024/25	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(2,625,290)	(2,625,290)	Balance at 1 April	(2,614,591)	(2,614,591)
10,337	0	Intra-Group Adjustments	75,127	0
356	63,966	Remeasurements of the net defined benefit liability/(asset)	(53)	122,465
(322)	(168,058)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(286)	(171,974)
328	114,791	Employer's pensions contributions and direct payments to pensioners payable in the year	354	124,651
(2,614,591)	(2,614,591)	Balance at 31 March	(2,539,449)	(2,539,449)

20.4 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £'000	Collection Fund Adjustment Account	2024/25 £'000
2,642	Balance at 1 April	2,704
62	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	768
2,704	Balance at 31 March	3,472

20.5 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24		Accumulated Absences Account	2024/25	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(4)	(11,649)	Balance at 1 April	(10)	(12,918)
4	11,649	Settlement or cancellation of accrual made at the end of the preceding year	10	12,918
(10)	(12,918)	Amounts accrued at the end of the current year	(24)	(14,778)
(6)	(1,269)	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	(14)	(1,860)
(10)	(12,918)	Balance at 31 March	(24)	(14,778)

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Note 21 Cash Flow Statement - Operating Activities

2023/24 PCC £'000	2023/24 PCC Group £'000		2024/25 PCC £'000	2024/25 PCC Group £'000
2,657	(10,061)	Net cash receipts/(payments) from operating activities excluding interest receipts and payments	(67,770)	(12,071)
(12,718)	0	Net cash receipts/(payments) from operating activities excluding interest receipts and payments - Intra-Group Transaction	55,699	0
2,317	2,317	Interest received	1,835	1,835
(1,298)	(1,298)	Interest paid	(1,745)	(1,745)
(9,042)	(9,042)	Net cash flows from operating activities	(11,981)	(11,981)

This cashflow statement has been expanded to include the Police and Crime Commissioner. Whilst there is no distinction between the Group and the Police and Crime Commissioner operating activities, this statement shows the intra-group transactions that flow through the Police and Crime Commissioner accounts.

Note 22 Cash Flow Statement - Investing Activities

2023/24 PCC £'000	2023/24 PCC Group £'000		2024/25 PCC £'000	2024/25 PCC Group £'000
12,356	12,992	Purchase of property, plant and equipment, investment property and intangible assets	9,861	10,543
636	0	Purchase of property, plant and equipment, investment property and intangible assets - Intra-Group Transaction	682	0
0	0	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	37	37
12,992	12,992	Net cash flows from investing activities	10,580	10,580

This cashflow statement has been expanded to include the Police and Crime Commissioner. Whilst there is no distinction between the Group and the Police and Crime Commissioner investing activities, this statement shows the intra-group transactions that flow through the Police and Crime Commissioner accounts.

Note 23 Cash Flow Statement – Financing Activities

2023/24 PCC £'000	2023/24 PCC Group £'000		2024/25 PCC £'000	2024/25 PCC Group £'000
(18,000)	(18,000)	Loans received	(22,500)	(22,500)
9,000	9,000	Loans repaid	20,000	20,000
175	175	Cash payments to reduce finance lease liabilities	2,269	2,269
(8,825)	(8,825)	Net cash flows from financing activities	(231)	(231)

This cashflow statement has been expanded to include the Police and Crime Commissioner. Whilst there is no distinction between the Group and the Police and Crime Commissioner financing activities, this statement shows the intra-group transactions that flow through the Police and Crime Commissioner accounts.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 24 External Audit Costs

The Police and Crime Commissioner has incurred the following costs in relation to the audit of the Statement of Accounts:

2023/24			2024/25	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
103	159	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	118	181
11	16	Additional fees in relation to regulation changes and expert advice	6	6
114	175	As per the audit plan	124	187
40	40	Estimated fees payable to external auditors with regard to external audit services carried out by the appointed auditor for prior years	0	0
154	215	Total	124	187

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 25 Officers' Remuneration

25.1 Remuneration

This note shows the officer remuneration costs for officers and staff employed by the Office of the Police and Crime Commissioner and the Chief Constable above the rank of Superintendent and the staff equivalent. The Police and Crime Commissioner (PCC) is an elected official and is excluded from this note and shown within the Office of the Police and Crime Commissioner note.

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 £
<u>Office of the Police and Crime Commissioner</u>							
<u>Salary £50,000 to £149,999 per year</u>							
OPCC Chief Executive		126,532	0	0	126,532	23,915	150,447
OPCC Chief Financial Officer		113,214	0	0	113,214	21,397	134,611
<u>Chief Constable</u>							
<u>Salary £150,000 plus per year</u>							
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
<u>Salary £50,000 to £149,999 per year</u>							
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.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 25 Officers' Remuneration Continued

2023/24	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 £
<u>Office of the Police and Crime Commissioner</u>							
<u>Salary £50,000 to £149,999 per year</u>							
Chief Executive		131,099	0	0	131,099	22,636	153,735
Chief Financial Officer		107,158	0	0	107,158	20,253	127,411
<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

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Note 25 Officers' Remuneration Continued

2023/24		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 £
	Note						
Chief Constable							
Salary £50,000 to £149,999 per year							
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

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Note 25 Officers' Remuneration Continued

25.1.1 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.

25.2 Group 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 Group. 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	11	11	11	13	45	72
£20,001 - £40,000	0	1	1	2	1	3	34	92
£40,001 - £60,000	0	0	1	0	1	0	52	0
£60,001 - £80,000	0	2	0	2	0	4	0	268
£120,001 - £140,000	0	1	0	0	0	1	0	120
£140,001- £160,000	0	0	1	0	1	0	160	0
Total included in bandings and in CIES	0	6	14	15	14	21	291	552
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							295	527

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Note 25 Officers' Remuneration Continued

25.3 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
601	£50,000 - £54,999	724
375	£55,000 - £59,999	445
290	£60,000 - £64,999	328
76	£65,000 - £69,999	193
27	£70,000 - £74,999	59
31	£75,000 - £79,999	31
7	£80,000 - £84,999	17
7	£85,000 - £89,999	15
11	£90,000 - £94,999	8
2	£95,000 - £99,999	8
1	£100,000 - £104,999	3
1	£105,000 - £109,999	5
0	£110,000 - £114,999	4
1	£180,000 - £184,999	0
1,430	Total	1,840

25.3.1 Notes

- The above table does not include staff and officers paid below £50,000 who make up approximately 74% 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.

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Note 26 Grant Income

The Police and Crime Commissioner Group credited the following grants and contributions to the Comprehensive Income and Expenditure Statement.

2023/24 Restated* £'000		2024/25 £'000
	Credited to Taxation and Non-Specific Grant Income	
(202,611)	Police Grant	(214,687)
(15,461)	Council Tax Support Grants	(15,461)
(453)	Recognised Capital Grant and Contributions	(682)
(218,525)	Total	(230,830)
	Credited to Services	
(4,526)	Commissioning	(4,729)
(11,457)	Projects	(16,501)
(8,218)	Other Local Grants	(10,294)
(3,732)	Pension Support Grant	(11,777)
(2,577)	Digital Apprenticeship Levy	(2,226)
(7,754)	Pay Support Grant	(3,844)
(38,264)	Total	(49,371)
	Credited to Other Operating Income and Expenditure	
(52,573)	Pensions Top Up Grant	(52,185)
(309,362)	Total Grant Income	(332,386)

*The Digital Apprenticeship Levy is now shown separately. In 2023/24 it was included within the Pay Support Grant.

Note 27 Related Party Transactions, Commissioning, Partnerships and Collaborations

27.1 Related Party Transactions

The Police and Crime Commissioner is required to disclose material transactions with related parties, including the Chief Constable, central government, other local authorities, members, senior officers and their close families.

27.1.1 Central Government

The United Kingdom Government has effective control over the general operations of the Police and Crime Commissioner. It is responsible for providing the statutory framework within which the Police and Crime Commissioner operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Police and Crime Commissioner has with other parties (e.g. council tax bills). Grants received from government departments are set out in the Grant Income Note. Outstanding balances are set out in the Debtors and Creditors Notes.

27.1.2 Independent Officers

The Chief Executive of the Office of the Police and Crime Commissioner has written to all members explaining the need for disclosure. Independent Officers' interests are also publicly reported on the Police and Crime Commissioner's website. As at the date of publication there were no related party transactions reported.

27.1.3 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.

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Note 27 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

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 has not been involved in the issue of contract.

27.2 Commissioning and Partnerships

There are a number of partnerships in which the Police and Crime Commissioner participates. These are arrangements where the Police and Crime Commissioner carries out activities relevant to its own functions jointly with others. For a number of the partnerships a formal partnership agreement is in place. The Police and Crime Commissioner accounts only for its share of the jointly controlled assets, liabilities and expenses that it incurs in relation to partnership activities. The main commissioning and partnership working is shown in the table below.

2023/24			2024/25		
Expenditure £'000	Income £'000	Notes	Expenditure £'000	Income £'000	
					OPCC Commissioning and Partnerships
501	0	27.2.1	526	0	Youth Justice Services
847	(218)	27.2.2	910	(227)	Sexual Assault Referral Centres
5,568	(3,730)	27.2.3	5,495	(3,784)	Victim Services and Restorative Justice
583	(502)	27.2.4	1,849	(1,599)	Other Local Grants and Expenditure
1,019	0	27.2.5	937	(32)	PCC's Impact Scheme
253	0	27.2.6	258	0	PCC's Community Grant Scheme
899	(359)	27.2.7	1,286	(682)	Serious Violence Prevention
3	0		0	(9)	Transfer to/(from) Reserves
9,673	(4,809)		11,261	(6,333)	Outturn Total
(3)	0		9	0	Reverse Transfer to/(from) Reserves
1	0		2	0	Accumulated Absence
(3)	0		(7)	0	Pension Costs & Employer contributions
9,668	(4,809)		11,265	(6,333)	CIES Total
4,859			4,932		Net Expenditure Total
					Other Partnerships
5,109	(5,109)	27.2.8	7,065	(7,065)	Vision Zero South West Road Safety Partnership

Full details of the Police and Crime Commissioner's future plans and intentions with regard to commissioning and partnerships can be found in the Commissioning Intentions Plan and the Police and Crime Plan on the Office of the Police and Crime Commissioner website.

The funding mechanisms for partnerships are complex, and the table above shows expenditure that has passed through the Police and Crime Commissioners accounts. There are no significant jointly controlled assets or liabilities as at 31 March 2025.

27.2.1 Youth Justice Services

The Youth Justice Services are funded by a combination of government grants, and contributions from the Police and Crime Commissioner, Local Authorities, the NHS and the National Probation Service. The initiative provides programmes for young people with the intention of preventing re-offending.

27.2.2 Sexual Assault Referral Centres

The Sexual Assault Referral Centres (SARCS) are funded by a combination of government grants, partnership grants and contributions from the Police and Crime Commissioner. The centres are set up in safe locations, where victims of

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 27 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

sexual assault can receive medical care and counselling. Referral centres bring together all agencies and departments in one place, which helps both the victims and those investigating the crimes.

27.2.3 Victim Services and Restorative Justice

The Ministry of Justice provide an annual Victim Services Grant to deliver services that help victims of crime. Funding is provided to a network of 40+ organisations who provide practical and emotional support to victims of crime, no matter whether or not they report the crime to police.

27.2.4 Other Local Grants and Expenditure

Other expenditure and grants are provided to a range of services/organisations who support delivery of the Police and Crime Plan.

27.2.5 PCC's Impact Scheme

The PCC's Impact Scheme supports the Police and Crime Commissioner by identifying and funding services, projects and approaches which help to deliver the Police and Crime Plan for its duration. It is a scheme which mirrors the strategic intentions of the Police and Crime Plan. Seeking longer term impact in local areas by offering a degree of sustainability, durability, and a shared commitment to achieving impact through commissioning.

27.2.6 PCC's Community Grant Scheme

The PCC's Community Grant scheme supports shorter term funding that directly impacts communities. These grants can be used to support the setup of a pilot project which helps evidence proof of concept and community impact or fund a one-off purchase such as CCTV or seed funding for a safer town or a community watch scheme. The scheme is not aimed at longer term funding.

27.2.7 Serious Violence Prevention

The Serious Violence Prevention Programme is a 4 year programme which is in its final year. It is a joint commitment by the Police and Crime Commissioner and the Chief Constable to take an inter-generational approach to preventing and tackling violence most evident across the region and in our communities. The overarching objective of the programme is to break the cycle of violence in under 25's. Funding is provided for partnership and police led projects and interventions which include in-school support, targeted youth work, community outreach, parental support to understand adolescents, peer to peer support, plus building trusted relationships with professionals through mentoring and whole family support.

27.2.8 Vision Zero South West Road Safety Partnership

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, NHS, Councils and Fire and Rescue organisations from across the Force area), and governance is provided by a Partnership Governance Board.

27.3 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.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 27 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

2023/24				2024/25
Expenditure £'000	Notes	Joint Operation		Expenditure £'000
9,024	27.3.1	South West Regional Forensics Services		10,116
559	27.3.2	South West Police Procurement Services		621
5,260	27.3.3	South West Regional Organised Crime Unit (ROCU)		6,069
599	27.3.4	South West Regional Programme		688
15,442				17,494

27.3.1 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.

27.3.2 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%.

27.3.3 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%.

27.3.4 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.

27.4 Other Public Bodies

Precept Income

Most of the revenue to pay for the costs of policing comes from government grants co-ordinated nationally. District councils, borough councils and unitary authorities collect the balance by charging their council tax payers a police precept. The amounts collected (adjusted for surpluses or shortfalls collected for previous years) are shown below.

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Note 27 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

2023/24		2024/25
£'000	Billing Authority	£'000
16,503	East Devon	17,244
10,145	Exeter	10,908
7,826	Mid Devon	8,255
9,337	North Devon	9,930
19,810	Plymouth	20,980
10,764	South Hams	11,183
13,149	Teignbridge	14,212
12,351	Torbay	13,164
6,573	Torridge	7,024
5,828	West Devon	6,017
53,707	Cornwall	57,111
315	Isles of Scilly	341
166,308		176,369
62	Adjusted for accruals	768
166,370		177,137

Pension Administration

The Police and Crime Commissioner purchases the Police Staff pension administration services from Devon County Council. Transactions within the pension fund are shown in the Defined Benefit Pension Schemes Note. Outstanding balances with other public bodies are shown in the Debtors and Creditors Notes.

Note 28 Contingent Liabilities

28.1 Financial Guarantee

The Police and Crime Commissioner has along with all other Police and Crime Commissioner's provided a financial guarantee for the Police ICT Company amounting to £124k.

28.2 Pension Guarantee

The Police and Crime Commissioner has along with all other Police and Crime Commissioner's provided a pension guarantee of £21k for the APCC pension fund which is currently held by Merseyside Local Government Pension Scheme.

28.3 Bluelight Commercial Guarantee

The Police and Crime Commissioner has along with other Police and Crime Commissioner's provided a financial guarantee to Bluelight Commercial Limited amounting to £55k.

28.4 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.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 28 Contingent Liabilities Continued

28.5 Beckmann

The Police and Crime Commissioner Group 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 29 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, vehicles and other equipment for the Force. The report below shows what was spent and how the spending was financed.

2023/24			2024/25	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
74,754	74,754	Opening Capital Financing Requirement	76,386	76,386
0	0	IFRS 16 Adjustment	11,729	11,729
74,754	74,754	Restated Opening Capital Financing Requirement	88,115	88,115
		Capital Investment:		
4,071	4,071	Land and buildings	3,439	3,439
4,893	4,893	Vehicles and Other Transport	4,664	4,664
7,719	8,355	Plant, Equipment and ICT	3,151	3,833
232	232	Revenue Expenditure Funded from Capital under Statute	454	454
636	0	Intra-Group Capital Investment	682	0
17,551	17,551		12,390	12,390
		Less Sources of Finance:		
(453)	(453)	Grants, Contributions and Donations	(72)	(72)
0	0	Capital Receipts	(37)	(37)
(12,378)	(13,014)	Reserves	(8,614)	(9,296)
0	0	Finance Lease: Minimum Revenue Provision	(71)	(71)
(2,452)	(2,452)	Borrowing: Minimum Revenue Provision	(2,673)	(2,673)
0	0	Finance Lease: Remeasurement	(3,079)	(3,079)
(636)	0	Intra-Group Less Sources of Finance	(682)	0
(15,919)	(15,919)		(15,228)	(15,228)
1,632	1,632	Increase/(Decrease) in Capital Financing Requirement	(2,838)	(2,838)
76,386	76,386	Closing Capital Financing Requirement	85,277	85,277
		Represented by:		
30,277	30,277	External Borrowing (cumulative) excluding accruals for interest due	30,277	30,277
45,908	45,908	Internal Borrowing	46,236	46,236
201	201	Finance Lease Liabilities including Prepayment Creditors	8,764	8,764
76,386	76,386		85,277	85,277
		Borrowing During the Year		
1,494	1,494	Internal Borrowing	328	328
138	138	Finance Lease Liabilities including Prepayment Creditors	8,563	8,563
1,632	1,632		8,891	8,891

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 30 Office of the Police and Crime Commissioner Costs

2023/24 £'000	Office of the Police and Crime Commissioner	2024/25 £'000
14	Independent members and advisors costs	102
112	Police and Crime Commissioner including reimbursements	109
1,599	Statutory and other OPCC staff	1,908
1,418	Other costs	538
3	Support for collection of Council Tax	2
(8)	Income	(27)
(800)	Transfer to/(from) Reserves	(59)
2,338	Outturn Total	2,573
259	Pension costs	260
6	Accumulated absence	12
800	Reverse Transfer to/(from) Reserves	59
(279)	Employer Contributions	(310)
2	Depreciation	2
3,126	CIES Total	2,596

Disclosed below are the Police and Crime Commissioner's remuneration costs which are included within the above table.

2023/24 £'000	Police and Crime Commissioner	2024/25 £'000
89	Salary, Fees and Allowances	89
0	Benefits in Kind	0
89	Total excluding pension contributions	89
7	Employer's Pension	0
96	Total	89

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 31 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and staff, the Police and Crime Commissioner Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Group 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 Police and Crime Commissioner Group 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 Police and Crime Commissioner Group 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 police officer pension's disclosures below apply to the Group Accounts only, this is because all of the police officers are under the control of the Chief Constable and for this reason there are no charges to the Police and Crime Commissioner single entity accounts other than the intra-group transfers. 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.

31.1 Police Officer Schemes

31.1.1 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 Group's and employee's (police officers) contributions. Any deficit is met by the Home Office in the form of a top up grant. The Group'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 Group 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.

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Note 31 Defined Benefit Pension Schemes Continued

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

31 March 2024		31 March 2025
£'000		£'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)

31.1.3 Transactions relating to Retirement Benefits

The Group 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. 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. The following transactions have been made for the police officer schemes in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

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Note 31 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
	Movement In Reserves Statement	
(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

31.1.4 Impact on the Police and Crime Commissioner's Cashflow

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

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 31 Defined Benefit Pension Schemes Continued

31.1.5 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.

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 will 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

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 31 Defined Benefit Pension Schemes Continued

31.2 Police Staff Scheme

31.2.1 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 Police and Crime Commissioner Group 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.

31.2.2 Transactions relating to Retirement Benefits

The Group 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. 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		Comprehensive Income and Expenditure Statement	2024/25	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
		Cost of Services		
		Service cost comprising:		
298	13,695	• Current service cost	287	13,095
0	0	• Past service cost	2	81
6	253	• Administration expenses	6	285
		Financing and Investment Income and Expenditure		
18	845	Net interest expense	(9)	(416)
322	14,793	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	286	13,045
		Other Post-Employment Benefits Charged to Comprehensive Income and Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
(589)	(27,027)	• Return on plan assets (excluding the amount included in the net interest expense)	140	6,373
(121)	(5,558)	• Actuarial (gains)/losses arising on changes in demographic assumptions	(24)	(1,072)
(259)	(11,890)	• Actuarial (gains)/losses arising on changes in financial assumptions	(1,328)	(60,512)
(22)	0	Apportionment adjustment	(3)	0
30	1,388	Experience (gains)/losses on defined benefit obligation	(17)	(790)
605	27,745	Changes in effect of asset ceiling	1,285	58,562
(34)	(549)	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	339	15,606

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Note 31 Defined Benefit Pension Schemes Continued

2023/24		Movement in Reserves Statement	2024/25	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(322)	(14,793)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(286)	(13,045)
Funded Liabilities		Funded Liabilities	Funded Liabilities	
PCC	PCC Group	Actual amount charged against the General Fund	PCC	PCC Group
£'000	£'000	Balance for pensions in the year:	£'000	£'000
325	14,912	Employers' contributions payable to scheme	351	15,997
Unfunded Liabilities		Unfunded Liabilities	Unfunded Liabilities	
PCC	PCC Group	Actual amount charged against the General Fund	PCC	PCC Group
£'000	£'000	Balance for pensions in the year:	£'000	£'000
3	152	Retirement benefits payable to pensioners	3	156

31.2.3 Pension Assets and Liabilities recognised in the Balance Sheet

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

31 March 2024			31 March 2025	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(9,283)	(425,979)	Present value of the defined benefit obligation	(8,638)	(393,819)
(605)	(27,745)	Changes in effect of asset ceiling	(1,924)	(87,716)
9,687	444,305	Fair value of plan assets	10,372	472,663
(201)	(9,419)	Net liability arising from defined benefit obligation	(190)	(8,872)

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Note 31 Defined Benefit Pension Schemes Continued

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

31 March 2024			31 March 2025		
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000	
(9,453)	(419,298)	Opening balance at 1 April	(9,283)	(425,979)	
(298)	(13,695)	Current service cost	(287)	(13,095)	
(433)	(19,870)	Interest cost	(462)	(21,041)	
(110)	(5,026)	Contributions from scheme participants	(119)	(5,444)	
		Remeasurement gains/(losses):			
121	5,558	• Actuarial gains/(losses) arising from changes in demographic assumptions	24	1,072	
259	11,890	• Actuarial gains/(losses) arising from changes in financial assumptions	1,328	60,512	
(30)	(1,388)	• Experience gains/(losses) on defined benefit obligation	17	790	
316	0	Apportionment adjustment	(61)	0	
0	0	Past service cost including gains/(losses) on curtailments	(2)	(81)	
345	15,850	Benefits paid	207	9,447	
(9,283)	(425,979)	Closing balance at 31 March	(8,638)	(393,819)	

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

The Police and Crime Commissioner's Group contribution to the Local Government Pension Scheme for the accounting period to 31 March 2026 is estimated to be £16.579m of which £0.363m is for the Police and Crime Commissioner. 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			31 March 2025		
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000	
8,889	394,266	Opening fair value of scheme assets	9,687	444,305	
415	19,025	Interest income	502	22,866	
		Remeasurement gains/(losses):			
589	27,027	• The return on plan assets, excluding the amount included in the net interest expense	(140)	(6,373)	
(293)	0	Apportionment adjustment	63	0	
(6)	(253)	Administration expenses	(6)	(285)	
328	15,064	Contributions from employer	354	16,153	
110	5,026	Contributions from employees into the scheme	119	5,444	
(345)	(15,850)	Benefits paid	(207)	(9,447)	
9,687	444,305	Closing fair value of scheme assets	10,372	472,663	

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Note 31 Defined Benefit Pension Schemes Continued

31.2.6 Local Government Pension Scheme assets comprised:

31 March 2024			31 March 2025	
PCC £'000	PCC Group £'000	Fair Value of Scheme assets	PCC £'000	PCC Group £'000
Cash and cash equivalents				
136	6,241	UK Equities	230	10,495
5,180	237,562	Overseas Equities	5,236	238,689
2,201	100,963	Other Bonds	2,457	111,852
744	34,126	Property	862	39,297
981	45,009	Infrastructure	1,075	48,984
229	10,493	Target Return Portfolio	244	11,123
218	10,000	Cash	268	12,206
(2)	(89)	Alternative Assets	0	17
9,687	444,305	Total	10,372	472,663

31.2.7 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.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 31 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 Police and Crime Commissioner Group. 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 £87.716m. Their 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			31 March 2025		
PCC	PCC Group		PCC	PCC Group	
£'000	£'000	Net Pension Asset in the Statement of Financial Position	£'000	£'000	
9,283	425,979	Present value of the defined benefit obligation	8,638	393,819	
(32)	(1,475)	Present value of unfunded obligation	(29)	(1,303)	
9,251	424,504	Present value of funded obligation	8,609	392,516	
(9,687)	(444,305)	Fair value of fund assets	(10,372)	(472,663)	
(436)	(19,801)	Deficit/(Surplus)	(1,763)	(80,147)	
605	27,745	Impact of asset ceiling	1,924	87,716	
32	1,475	Present value of unfunded obligation	29	1,303	
201	9,419	Net defined benefit liability/(asset)	190	8,872	

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 £80.147m, the initial impact of the asset ceiling is £80.147m. The Police and Crime Commissioner Group 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 £7.569m to be recognised. In addition, there is an unfunded liability of £1.303m resulting in a final deficit to be recognised of £8.872m.

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

	PCC	PCC Group
	£'000	£'000
Opening impact of asset ceiling	605	27,745
Interest on impact of asset ceiling	31	1,409
Actuarial losses / (gains)	1,288	58,562
Closing impact of asset ceiling	1,924	87,716

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

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 31 Defined Benefit Pension Schemes Continued

31.2.8 Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £'000	Decrease in Assumption £'000
PCC		
Mortality age rating assumption (increase or decrease in 1 year)	262	(253)
Rate of increase in salaries (increase or decrease by 0.1%)	15	(15)
Rate of increase in pensions (increase or decrease by 0.1%)	132	(129)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(140)	143
PCC Group		
Mortality age rating assumption (increase or decrease in 1 year)	11,933	(11,534)
Rate of increase in salaries (increase or decrease by 0.1%)	699	(692)
Rate of increase in pensions (increase or decrease by 0.1%)	6,015	(5,859)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(6,368)	6,534

31.2.9 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.

31.2.10 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.

31.2.11 Impact on the Police and Crime Commissioner's Cash Flows

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/

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 31 Defined Benefit Pension Schemes Continued

31.2.12 Total Pensions Assets and Liabilities recognised in the Balance Sheet

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

31 March 2024			31 March 2025	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
0	(2,605,173)	Police Officers Pension Schemes	0	(2,530,576)
0	(2,605,173)	Present value of the defined benefit obligation	0	(2,530,576)
		Total Police Officer benefit obligation		
		Police Staff Pension Scheme		
(9,283)	(425,979)	Present value of the defined benefit obligation	(8,638)	(393,819)
(605)	(27,745)	Changes in effect of asset ceiling	(1,924)	(87,716)
9,687	444,305	Fair value of plan assets	10,372	472,663
(201)	(9,419)	Total Police Staff benefit obligation	(190)	(8,872)
(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)		Total Intra-Group Adjustment	(2,539,258)	

Note 32 Borrowing

The maturity analysis of borrowing is as follows:

31 March 2024			31 March 2025	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
0	0	Contractual Maturity	(2,000)	(2,000)
0	0	Less than one year*	(2,000)	(2,000)
(2,000)	(2,000)	Total Short Term Borrowing	(4,327)	(4,327)
(8,827)	(8,827)	More than one year less than five years	(7,000)	(7,000)
(19,450)	(19,450)	Between five and ten years	(16,950)	(16,950)
(30,277)	(30,277)	Total Long Term Borrowing	(28,277)	(28,277)
(30,277)	(30,277)	Total Borrowing for Capital Investment	(30,277)	(30,277)

* Included within the short term borrowing line on the balance sheet.

31 March 2024			31 March 2025	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(18,000)	(18,000)	Contractual Maturity	(20,500)	(20,500)
(18,000)	(18,000)	Less than one year	(20,500)	(20,500)
(18,000)	(18,000)	Total Short Term Borrowing		
		Total Borrowing for Cashflow Purposes	(20,500)	(20,500)

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 32 Borrowing Continued

31 March 2024			31 March 2025	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(18,000)	(18,000)	Total Short Term Borrowing	(22,500)	(22,500)
(30,277)	(30,277)	Total Long Term Borrowing	(28,277)	(28,277)

Note 33 Leases

In 2024/25, the Police and Crime Commissioner applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Police and Crime Commissioner incremental borrowing rate from PWLB at that date.
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024.
- all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet as at 1 April 2024:

- £14,357k Property, plant and equipment – land and buildings and equipment (right-of-use assets)
- £755k Short term creditors
- £10,018k Long term creditors
- £957k Prepayments

The operating lease total commitment disclosed in the operating lease note to the 2023/24 financial statements was £5,394k. When these lease commitments are discounted to their present value using the incremental borrowing rate at 1 April 2024, the same term and monthly rental, the commitment amounts to £4,428k.

A full review of all lease arrangements was undertaken for 1 April 2024 with the estimable impact being disclosed in Note 2 of the 2023/24 financial statements. In order to establish the impact, a number of judgements were made on the option to extend, and all non-lease components were taken into account. As a result, the lease liability increased from £4,428k to £10,773k (£755k current creditors and £10,018k for non-current creditors) with peppercorn arrangements estimated at £107k giving a total of £10,880k as reported in the 2023/24 financial statements.

A further review has been undertaken during 2024/25. Rental payments have been updated to reflect actuals, the remaining lease term reflects updated judgements made and where non-lease components are easily identifiable, they have been excluded as per the CIPFA code. This review of the lease liabilities together with the 2024/25 repayments to suppliers has resulted in a reduction as at 31 March 2025. Consequently, the right of use asset has also been remeasured. The tables below provide more detail.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Note 34 Leases Continued

	2023/24	2024/25
	£'000	£'000
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	480	462
Expense relating to short-term leases	129	9
Expense relating to exempt leases of low-value items	3	12
Variable lease payments not included in the measure of lease liabilities	199	415
Income from subletting right-of-use assets	(152)	(191)
Balance at 31 March 2025	659	707

	2023/24	2024/25
	£'000	£'000
Cashflow Statement		
Minimum lease payments	1,334	1,366
	1,334	1,366

	Land and Buildings		Equipment	Total
	Right of Use	Peppercorn	Right of Use	
	£'000	£'000	£'000	£'000
Balance at 1 April 2024	13,162	1,091	104	14,357
Additions/Remeasurement	(2,809)	285	0	(2,524)
Revaluations	877	105	0	982
Depreciation	(1,613)	(103)	(22)	(1,738)
Disposals	0	0	0	0
Balance at 31 March 2025	9,617	1,378	82	11,077

These balances have been incorporated into the Property, Plant and Equipment note.

Maturity analysis of lease liabilities	31 March 2024	31 March 2025
	£'000	£'000
Less than one year	(1,411)	(994)
One to five years	(3,219)	(2,901)
More than five years	(764)	(4,514)
Total liabilities	(5,394)	(8,409)



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

Pension Fund Accounting Statements

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

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.



Glossary

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Glossary

Accounting Period	The period of time covered by the accounts, usually a full year, which for the Office of the Police and Crime Commissioner 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 Statement 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 that a Police and Crime Commissioner bears each year from entering into a financial liability. The Office of the Police and Crime Commissioner does not currently have any complex financial instruments where the contractual terms vary significantly from the real cost. For this reason the amortised cost of financial instruments is close to contractual cost.
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 Police and Crime Commissioner's 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 by the Office of the Police and Crime Commissioner that can only be used to pay for capital projects.
Capital Receipts	Income from the sale of capital assets e.g. land, buildings. 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.
Collection Fund	District and unitary councils pay all receipts from local taxpayers into a "collection fund". They then pay county, police, fire, district, unitary and parish council precepts from the fund.
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.)

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Glossary Continued

Council Tax	A tax based on the value of property, which is administered by District and Unitary authorities.
Creditors	Amounts owed by the Police and Crime Commissioner for work done, goods received or services received, but for which payment has not been made by the end of the accounting period.
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 to the Police and Crime Commissioner 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 the Police and Crime Commissioner's 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 the Police and Crime Commissioner is demonstrably 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 a financial asset. FVPL stands for Fair Value through profit or loss.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

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.
Home Office Grant	A central government grant paid by the Home Office to Police and Crime Commissioner's in support of their day to day expenditure.
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.
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 of the Police and Crime Commissioner's outstanding financing commitments that must be charged to the General Fund each year.
Non-Operational Assets	Fixed assets that are not used to deliver direct services. For example, police houses, or assets that are still being built or are no longer used and about to be sold.
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 Commutation	Commutation is where part of the entitlement to a pension for life is exchanged for a lump sum payable on retirement. This requires a calculation of the current value of the entitlement given up. The calculation is done using actuarial advice. The advice is set out in tables containing 'factors'. The level of the factors depends on age and life expectancy.
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.
Principal	The amount of a loan that was actually borrowed, before interest is added.
Provisions	Amounts set aside to meet costs that are likely to be incurred, but where the actual amount and timing are uncertain.
PWLB	Public Works Loan Board
Related Parties	Individuals or other bodies who have significant control and influence over the financial and operating policies of an entity.

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

Glossary Continued

Reserves	Amounts set aside to meet the cost of specific future expenditure. The Police and Crime Commissioner plans its reserves as part of a four year strategy.
Revaluation Reserve	The Reserve records the accumulated gains on the fixed assets held by the Police and Crime Commissioner 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.
Specific Grants	Grants (usually from the Home Office) that can only be spent on named services and projects.
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.
Third Party Payments	Payments made to outside contractors and other bodies who provide specialist or support services to the Police and Crime Commissioner.
TUPE	Transfer of Undertakings Protection of Employment.