



Cheshire **Constabulary**

**CHIEF CONSTABLE FOR CHESHIRE
UNAUDITED STATEMENT OF
ACCOUNTS
2025/26**

STATEMENT OF ACCOUNTS 2025/26

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NARRATIVE REPORT

These accounts reflect the statutory governance arrangements for policing, under which the Police and Crime Commissioner (PCC) is responsible for holding assets, cash balances and reserves, while the Chief Constable is responsible for the delivery of operational policing services and the associated expenditure.

As a result of this division of responsibilities, the Balance Sheet is largely comprised of pension-related liabilities and therefore differs from that of a typical organisation.

Narrative Report 2025/26 – Chief Constable for Cheshire

Introduction

I am pleased to present the Narrative Report and Statement of Accounts for the Chief Constable of Cheshire Constabulary for the financial year ending 31 March 2026.

This report sets out how the Constabulary has performed during 2025/26, how resources have been used, and the key issues shaping delivery. It highlights key achievements, challenges and future risks.

During 2025/26, Cheshire Constabulary continued to deliver strong performance, including reductions in crime and improved outcomes for victims. This reflects continued investment in neighbourhood policing, safeguarding and technology, alongside strong governance and financial management. Sustaining such high performance is a tremendous achievement, particularly given ongoing uncertainty around funding arrangements and inflationary pressures.

This report should be read alongside the Statement of Accounts and Annual Governance Statement.

1. Purpose and Legal Framework

This Narrative Report provides an overview of the activities, performance and financial position of Cheshire Constabulary for the financial year ending 31 March 2026.

Policing governance in Cheshire operates within the framework of the Police Reform and Social Responsibility Act 2011, which established the Police and Crime Commissioner (PCC) and the Chief Constable as separate legal entities. The PCC is responsible for setting the budget, holding assets and determining strategic priorities, while the Chief Constable is responsible for the direction and control of operational policing.

In accordance with these arrangements, separate Statements of Accounts are prepared for the PCC and the Chief Constable, together with Group Accounts that reflect the combined financial position. The Chief Constable accounts reflect operational policing activity only.

This report explains how the Constabulary has performed during the year, how resources have been managed and the outcomes delivered for communities. It also outlines key risks, governance arrangements and the future outlook.

The financial statements have been prepared in accordance with proper accounting practices and International Financial Reporting Standards (IFRS) as interpreted for the public sector, as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Narrative Report should be read alongside those statements and the accompanying Annual Governance Statement, which provides assurance on the effectiveness of governance and internal control arrangements during the year.

The Chief Constable accounts reflect operational policing only and the Group accounts present the combined financial position.

2. Organisational Overview

Geographical and Operational Context

Cheshire Constabulary is one of 43 territorial police forces in England and Wales, serving a population of approx. 1.1m residents across the local authority areas of Cheshire East, Cheshire West and Chester, Warrington, and Halton. The policing area encompasses a diverse mix of urban centres, market towns, rural communities and significant transport infrastructure, including major motorway routes and rail corridors. These characteristics present a varied demand profile, ranging from volume crime and antisocial behaviour to serious and organised crime, safeguarding vulnerabilities, and road-related risks.

The Constabulary's mission is to keep Cheshire safe and make the county hostile to criminals. This is delivered through a model of local policing supported by specialist capabilities in investigation, public protection, roads policing, and regional collaboration.

Workforce and Structure

At 31 March 2026, Cheshire Constabulary had a total workforce headcount of 4,313 people, reflecting a balanced and resilient employment mix across operational, support and volunteer roles. This comprised 2,432 police officers (including Tier 1 and Tier 2 officers), 1,577 police staff, 147 Special Constables, 85 Police Community Support Officers (PCSOs) and 72 volunteers.

Employee type	Headcount at 31.03.2026
Officers*	2432
Staff*	1577
Specials	147
PCSOs	85
Volunteers	72
Total	4313

*includes Tiers 1 and 2

Police officers represent the largest proportion of the workforce, accounting for just over half of total headcount. This level of officer establishment supports neighbourhood visibility, investigative capacity and emergency response capability across the force area. Police staff play a critical role in enabling frontline delivery, providing specialist expertise in areas such as investigations, intelligence, digital forensics, finance, human resources, call handling and victim services.

Special Constables and volunteers make an important contribution to community engagement, resilience and prevention activity, providing additional capacity and strengthening links with local communities. The PCSO workforce remains a key element of neighbourhood policing, supporting reassurance, problem-solving and engagement alongside warranted officers.

Overall workforce numbers remained stable during 2025/26, maintaining resilience and continuity while allowing targeted investment in priority roles. The workforce is organised into nine Local Policing Units (LPUs), supported by specialist departments covering crime investigation, public protection, intelligence, digital policing and operational support. Officers, staff and volunteers operate in accordance with the Code of Ethics, supported by robust vetting, professional standards and governance arrangements.

Workforce planning remained a key focus during the year in response to financial pressures and changing demand. This included reviewing the balance between officers, PCSOs and staff to ensure resources continue to align with frontline priorities, particularly neighbourhood policing and safeguarding.

Leadership and Strategic Direction

During 2025/26, Dan Price continued in his role as Police and Crime Commissioner for Cheshire, with Chief Constable Mark Roberts leading operational delivery. The PCC set strategic priorities through the Police and Crime Plan 2024–28, which focuses on listening to the public, reducing crime, supporting victims, strengthening neighbourhood policing, and modernising policing through innovation and technology. The Chief Constable was responsible for translating these priorities into operational delivery.

The Police and Crime Plan 2024–28 continued to provide a clear strategic framework, supported by regular public scrutiny meetings and engagement activity to ensure that policing priorities reflect public expectations and emerging risks.

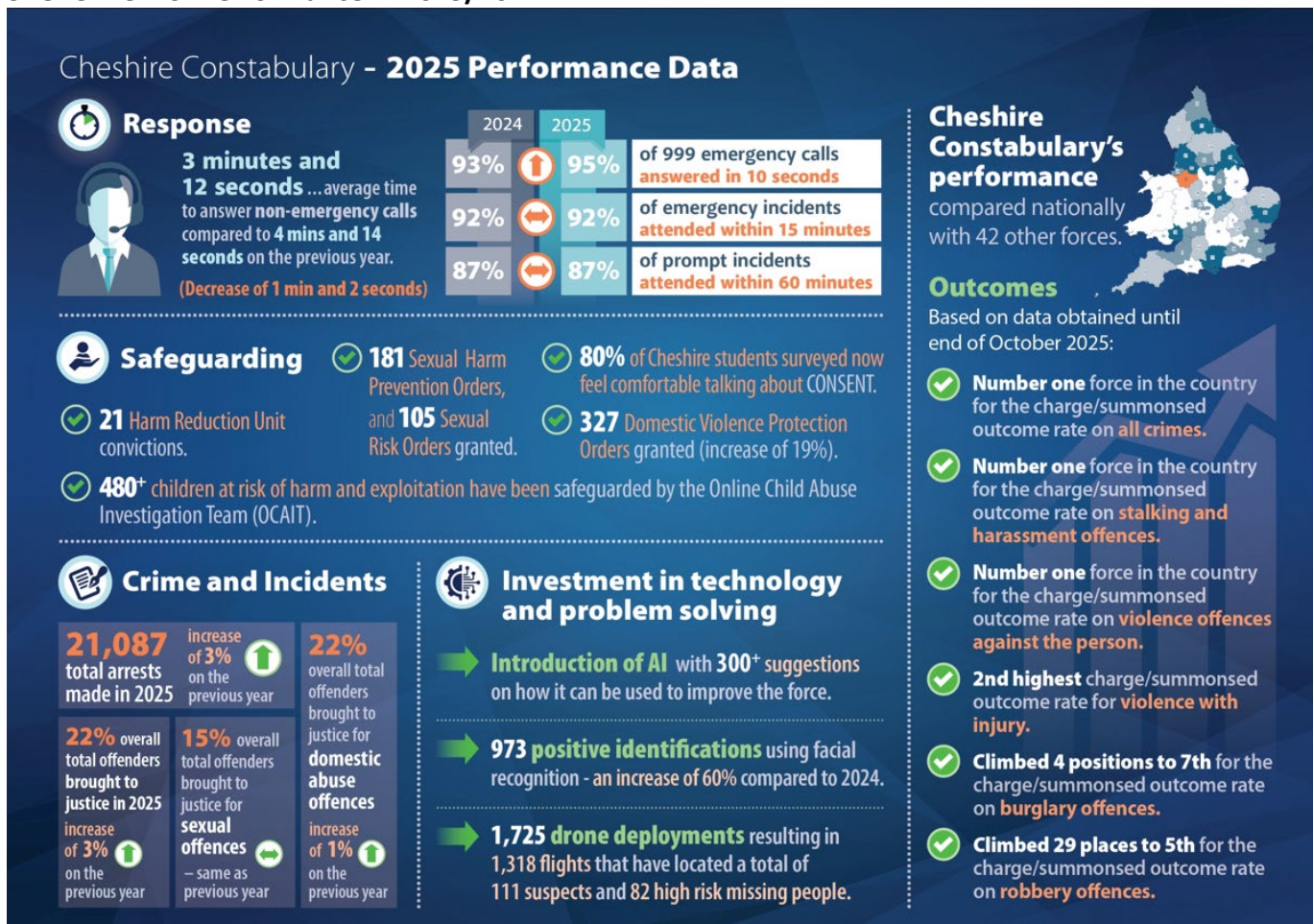


Police & Crime Commissioner Dan Price



Chief Constable Mark Roberts

3. Overview of Performance in 2025/26



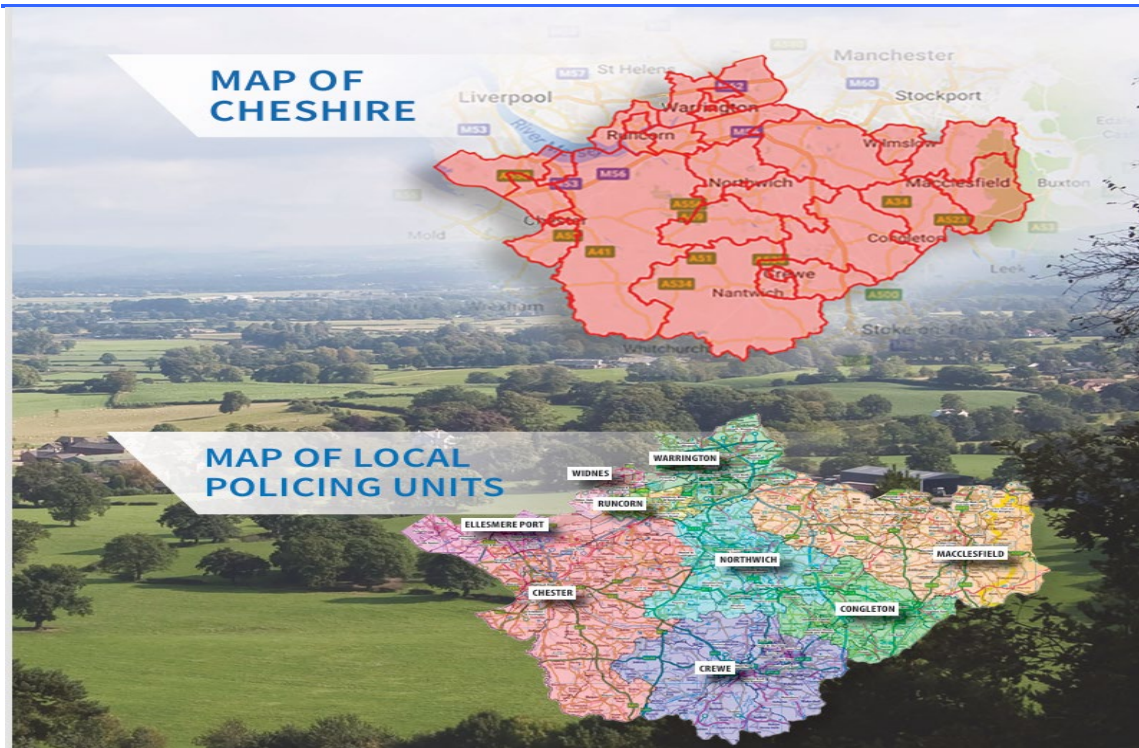
Demand and Operating Environment

Throughout 2025/26, Cheshire Constabulary operated in a busy and increasingly complex environment, responding to high levels of demand alongside growing safeguarding needs and public expectations for a timely, high-quality service. While overall incident demand remained broadly stable, there was continued growth in vulnerability-related demand, including domestic abuse, safeguarding of children and adults at risk, mental health incidents and serious violence. These cases are more time-intensive and often require specialist skills and partnership working.

This mirrors national trends reported by the Office for National Statistics. Overall crime volumes have remained broadly stable at around 9.6 million incidents for the year ending 31 December 2025, but the nature of demand continues to shift towards more complex and high-harm offences. Theft-related offences have fallen overall, particularly burglary and vehicle crime, while fraud remains high at an estimated 4.4 million incidents.

The Constabulary maintained a strong operational response through continued investment in neighbourhood policing, technology, safeguarding and control room resilience.

The increasing complexity of demand has also had a direct financial impact, contributing to pressures in areas such as police overtime, public protection, forensics and legal services. These pressures are reflected in the revenue outturn and reinforce the importance of continued investment in prevention, early intervention and efficient service delivery.



Emergency and Non-Emergency Response

Call handling and response performance improved considerably during the year, reflecting focused operational management, investment in staff capability and improvements in digital systems.

In 2025:

- The average time to answer non-emergency (101) calls reduced to 3 minutes and 12 seconds, compared with 4 minutes and 14 seconds in the previous year, an improvement of 1 minute and 2 seconds.
- 95% of 999 emergency calls were answered within 10 seconds, an increase from 93% in 2024.
- 92% of emergency incidents were attended within 15 minutes, maintaining strong year-on-year performance.
- 87% of prompt incidents were attended within 60 minutes, consistent with the previous year.

These trends reflect a national shift in policing demand, where complexity and risk are increasing despite broadly stable incident volumes, placing greater pressure on specialist resources and partnership working. Performance is now in line with leading forces, following sustained investment and reflects sustained investment in contact management, workforce capability and digital technology.



Safeguarding and Protecting the Vulnerable

Safeguarding remained a core operational priority in 2025/26, with targeted resources delivering strong outcomes for vulnerable people across Cheshire. During the year:

- 21 Harm Reduction Unit convictions were secured.
- 181 Sexual Harm Prevention Orders and 105 Sexual Risk Orders were granted, helping to manage offenders posing ongoing risk.
- 327 Domestic Violence Protection Orders were granted, representing a 19% increase compared with the prior year.
- More than 480 children at risk of harm or exploitation were safeguarded through the work of the Online Child Abuse Investigation Team (OCAIT).
- Preventative education activity showed positive impact, with 80% of Cheshire students surveyed reporting that they now feel comfortable talking about consent.

These outcomes reflect the effectiveness of specialist safeguarding teams, robust investigative practice and strong partnership working.

Crime, Incidents and Enforcement Activity

Enforcement activity remained strong throughout 2025, with:

- 21,087 arrests made, representing a 3% increase on the previous year.
- 22% of all offenders brought to justice, an increase of 3% year-on-year.
- 22% of domestic abuse offenders brought to justice, up 1% on the prior year.
- 15% of sexual offence offenders brought to justice, consistent with the previous year despite falling crime levels.

These figures demonstrate sustained investigative productivity alongside reductions in crime demand.

These results were further supported by strong multi-agency partnerships, which remain critical to managing complex safeguarding demand effectively.

These achievements were delivered within a challenging national policing context characterised by financial pressure, increasing demand complexity and heightened public scrutiny.

Cheshire Constabulary also delivered strong performance in specialist regulatory functions during 2025/26. The Firearms Licensing Team was ranked 1st nationally for the speed of processing applications, with 99% of firearm and shotgun licence applications completed within four months.

Cheshire Constabulary's Disclosure and Barring Service (DBS) unit was also graded outstanding in the latest PEEL inspection, recognising its strong commitment to safeguarding children and vulnerable adults.

Cheshire is now among the leading forces for firearms licensing across England and Wales protecting the public by ensuring timely, thorough assessment of applicants and early identification of risk.

Technology, Innovation and Problem Solving

Investment in technology continued to support operational effectiveness and productivity. Key developments during the year included:

- The introduction of artificial intelligence capability, generating more than 300 suggestions on how technology could be deployed to improve policing services.
- 973 positive identifications using facial recognition technology, representing a 60% increase compared with 2024.
- 1,725 drone deployments, resulting in 1,318 flights which assisted in locating 111 suspects and 82 high-risk missing persons.

These tools improved situational awareness, officer safety and investigative effectiveness.



National Performance and Outcomes

Based on nationally published data up to October 2025, Cheshire Constabulary delivered exceptional criminal justice outcomes when compared with other forces in England and Wales:

- Ranked 1st nationally for charge/summonsed outcome rates for all crime.
- Ranked 1st nationally for charge rates in stalking and harassment and violence against the person.
- 2nd highest charge rate nationally for violence with injury.
- Improved national rankings to 7th for burglary (up four places) and 5th for robbery (up 29 places).

Overall Assessment

Overall performance during 2025/26 demonstrates a highly effective policing service delivering improved response times, strong safeguarding outcomes, sustained enforcement productivity and nationally leading criminal justice results. These achievements were delivered while maintaining public confidence and managing growing complexity in demand, providing a strong foundation for continued improvement in future years.

Performance during the year was further supported by proactive commissioning, significant community reinvestment funded by proceeds of crime, and strengthened public engagement, providing a strong foundation for sustainable policing outcomes.

External Inspection and Recognition

During the year, Cheshire Constabulary's performance continued to be recognised through independent inspection. HMICFRS identified the Constabulary as outstanding in protecting vulnerable people and highlighted areas of innovative practice. National data also confirmed that Cheshire achieved leading charge rate performance across England and Wales, reinforcing its position as one of the most effective forces in delivering criminal justice outcomes.

4. Crime Reduction and Criminal Justice Outcomes

Strategic Focus and Investment

Crime reduction remained a central priority for Cheshire Constabulary throughout 2025/26, supported by targeted investment in neighbourhood policing, proactive operations, offender management and cross-border enforcement activity. Resources were directed toward both prevention and enforcement, ensuring that reductions in crime were accompanied by strong criminal justice outcomes and improved victim confidence.

Crime Trends and Public Safety

Performance data for the year demonstrates that Cheshire continues to be one of the safest counties in the United Kingdom, with sustained and significant reductions across a broad range of offence categories. During 2025/26:

- Overall recorded crime reduced by 4%
- Shoplifting reduced by 15%, compared with a 1% reduction nationally
- Knife crime reduced by 27%
- Burglary reduced by 8%
- Vehicle crime reduced by 7%

These reductions reflect a combination of visible neighbourhood policing, intelligence-led targeting of repeat offenders, hotspot patrols, partnership working and cross-border operations to disrupt travelling offenders. Neighbourhood officers continued to work closely with residents and businesses, not only to identify and apprehend offenders but also to provide crime prevention advice, reassurance and early intervention. This ensured enforcement activity was balanced with engagement and prevention, contributing to sustained reductions and public confidence.

Overall, these outcomes were achieved against a backdrop of continued pressure on policing services, highlighting the effectiveness of Cheshire's proactive and intelligence-led approach.

Criminal Justice Outcomes and Charge Rates

In addition to reducing crime, Cheshire Constabulary delivered strong criminal justice outcomes during 2025/26. Data published by the Office for National Statistics shows that Cheshire achieved the highest overall charge rate for crime in England and Wales.

The Constabulary also achieved the highest charge rates nationally for:

- Violence against the person
- Stalking and harassment
- Sexual offences

Cheshire also recorded some of the highest charge rates for burglary, vehicle crime and theft offences. This is particularly notable given the simultaneous reduction in overall crime levels, reflecting a sustained focus on investigative quality, supervision and evidence-led case building.

Shoplifting and theft offences in Cheshire reduced by approximately 10% over the past 12 months, contrasting with national trends where such offences have generally increased.

This reflects enhanced partnership working with retailers and local authorities, alongside increased use of digital evidence, including CCTV and facial recognition technology, to identify offenders and strengthen investigations. These approaches have improved detection rates and the ability to identify repeat offenders, contributing to sustained reductions in acquisitive crime.



Operational Impact and Deterrence

The strong performance outlined above reflects the commitment and professionalism of officers and staff, supported by improvements in investigative processes, digital capability and supervision. Cross-border operations continued to play an important role in deterring offenders seeking to exploit transport links into the county, maintaining Cheshire's reputation as a hostile environment for criminal activity.

Achieving one of the highest charge rates nationally, alongside falling crime levels, provides a clear deterrent to offenders and reassurance to communities. It reinforces that those who commit crime in Cheshire are increasingly likely to be identified, arrested and brought to justice.

Continued focus on serious and organised crime, including cross-border offending, has helped ensure resilience to external threats linked to the county's transport infrastructure.

Targeted enforcement activity was delivered through operations such as Operation Crossbow, which focused on identifying and arresting wanted offenders across the county. This coordinated activity resulted in the arrest of more than 50 individuals, disrupting criminal activity and reinforcing the Constabulary's proactive approach to enforcement.

This approach is supported by wider proactive policing activity, combining intelligence-led targeting with visible enforcement to deter offending and protect communities.

The Constabulary's approach to tackling serious and organised crime is further illustrated by Operation Apollo, which targets county lines drug networks. During the year, the operation secured over 300 years of custodial sentences, alongside numerous arrests and the closure of multiple drug supply lines. This work plays a key role in protecting vulnerable people and disrupting organised criminal networks.

Safeguarding activity was also strengthened through initiatives such as Operation Guardians, a coordinated operation focused on protecting children and vulnerable people. This brought together specialist teams and partners, resulting in 48 arrests and extensive engagement with schools and at-risk individuals, supporting early intervention and prevention.



Overall Assessment

Taken together, the crime reductions and charge rate performance achieved in 2025/26 underline the effectiveness of Cheshire Constabulary's approach to crime reduction and criminal justice. The county continues to be one of the safest places to live in the UK, with falling crime, rising outcomes for victims, and strong enforcement activity that protects residents, businesses and communities across Cheshire.



5. Innovation, Technology and Modern Policing

Investment in Technology

Investment in technology and digital capability during 2025/26 totalled £2.5m across capital and revenue budgets. This investment supported modernisation, improved productivity and enhanced service delivery. All technological developments were supported by robust governance arrangements, ensuring compliance with legal, ethical and data protection requirements, alongside transparent public engagement.

Technology-Enabled Policing

Live Facial Recognition (LFR) technology saw expanded operational use during the year, contributing to 973 positive identifications, a 60% increase compared with 2024.

Digital working continued to expand, with an increased proportion of frontline officers equipped with enhanced mobile devices. This reduced duplication, streamlined investigations and increased frontline availability.

Call handling performance improved significantly during the year (as outlined in Section 3), reflecting sustained investment in staffing, training and enabling technology.

These developments position Cheshire Constabulary at the forefront of innovation in UK policing, supporting both preventative and investigative activity.



6. Neighbourhood Policing and Communities

Neighbourhood policing remained at the heart of service delivery during 2025/26. Targeted internal and external investment of approximately £4.0m, including the Neighbourhood Policing Fund and Safer Streets funding, increased local policing capacity.

This investment supported the recruitment of 48 additional full-time equivalent neighbourhood police officers, increasing visible patrol capacity and strengthening ownership of local issues. Officers were deployed to hotspot locations and areas experiencing repeat antisocial behaviour and demand. Some of this investment is supported by time-limited external funding, and the long-term sustainability of expanded neighbourhood resources remains an important consideration for future financial planning. Targeted hotspot patrols and multi-agency problem-solving activity were delivered across priority areas. While outcomes vary locally, these interventions have contributed to reductions in antisocial behaviour and sustained levels of public confidence.

During the year, proposals relating to changes in the Police Community Support Officer (PCSO) workforce were considered as part of broader financial planning. Maintaining visible neighbourhood policing remained a key priority, with mitigation measures focused on preserving frontline presence and community engagement.



7. Victim-Focused Policing and Service Quality

Investment in Victim Services

Continued investment supported victim services, safeguarding teams and digital case management tools during 2025/26. This investment was aligned to the Victims' Code and PCC priorities.

Service Quality and Outcomes

Victims' Code compliance was achieved in 79.97% of monitored cases (62.02% 2024/25) improving transparency and trust. This performance reflects continued alignment with the national Victims' Code, ensuring that victims receive timely updates, support and clear communication throughout the criminal justice process.

Outcomes improved in high-harm offence areas, including domestic abuse, where the charge rate reached 22%. These improvements reflect focused training, specialist investigative roles and strong partnership working with support services.

8. Estates, Sustainability and Asset Management

Capital investment during 2025/26 supported the continued modernisation of the Cheshire police estate, ensuring that buildings are fit for purpose, operationally efficient and environmentally sustainable. Total capital expenditure on estates during the year amounted to £11.1m.

A significant milestone was the opening of the new Wilmslow Police Station in July 2025. The facility is the first police station in the UK and the first public building in Cheshire to achieve Passivhaus accreditation.

Passivhaus design principles focus on reducing energy demand through high-performance insulation, airtight construction and efficient ventilation systems. These features are expected to reduce energy consumption by up to 90% compared with a conventional building, delivering long-term reductions in carbon emissions and running costs. This will help mitigate future energy price volatility and maximise the proportion of resources available for frontline services.

The Wilmslow station provides modern, efficient accommodation for officers and staff, supporting wellbeing, productivity and service delivery. It also forms part of a wider estates strategy to modernise facilities and improve environmental performance across the force area, with further developments planned in locations including Crewe. Construction of a new police station at Basford East in Crewe commenced in January 2026, representing a key milestone in the delivery of modern, fit-for-purpose facilities across the area. The development will provide a strategically located and operationally efficient base, supporting

improved response capability and enhanced working environments for officers and staff. Completion is expected in 2027, subject to build progress.

In line with the wider estates approach, there remains a clear commitment to maintaining accessibility and public engagement, with a police base to be retained within Crewe town centre to ensure continued visibility and delivery of front-facing services.

Alongside these projects, additional investment supported custody refurbishments, health and safety compliance work and targeted upgrades to operational buildings. These interventions ensure that estates continue to meet operational requirements and represent value for money.

Overall, estates investment during 2025/26 improved sustainability performance and supported the delivery of modern, efficient policing infrastructure, contributing to long-term financial resilience.



Chief Constable Mark Roberts, Police and Crime Commissioner Dan Price and members of St John's Church of England Primary School at the opening of Wilmslow Police Station, October 2025.

9. Workforce, Leadership and Organisational Development

Workforce development continued to support operational performance during 2025/26, with investment in recruitment, training, leadership capability and wellbeing. Leadership and performance frameworks remained embedded across the organisation, supporting accountability and continuous improvement. Cheshire Constabulary continues to provide a well-established wellbeing offer to staff. Between May 2025 and April 2026, there were 1,168 management referrals to the Occupational Health provider (Optima), with 100% triaged and actioned within a two-day service level agreement. Despite anticipated seasonal increases in absence, overall sickness levels remained below the force target of 4.6% for much of the year, reflecting effective early intervention and workforce support.

Workforce retention improved during the year, with overall attrition reduced to 5.1%, the lowest level in four years. The Constabulary's national ranking improved significantly, moving from 13th highest attrition rate to 32nd. The resignation rate of 2.7% is now below the national average.

Since 2023, the Constabulary has recruited 56 additional detectives, increasing investigative capacity from 73% to 87%, representing the highest staffing level across the North West.

Like all police forces, Cheshire continues to operate in a competitive labour market, with ongoing challenges relating to recruitment, retention and specialist skills. Workforce planning remains focused on ensuring the organisation is able to respond effectively to future demand. Workforce wellbeing also remains a priority, recognising the increasing complexity and emotional impact of policing, particularly in safeguarding and vulnerability-related roles.



10. Community Investment and Social Value

During 2025/26, the Constabulary supported a range of community-based initiatives aimed at prevention, early intervention and protecting vulnerable people. This included the reinvestment of funds recovered under the Police Property Act into local projects aligned with policing priorities.

Through the Cheshire Constabulary in the Community initiative, £50,000 was distributed to five organisations supporting activity such as domestic abuse services, youth engagement and prevention, and support for vulnerable individuals.

These initiatives complement operational policing by supporting early intervention, reducing demand and strengthening links with local communities.



Chief Constable Mark Roberts delivering a cheque through the Cheshire Constabulary in the Community initiative

11. Governance, Risk Management and Assurance

Strong governance and assurance arrangements operated throughout 2025/26. Performance, risk and financial management were subject to regular scrutiny through established governance forums, including senior leadership boards and independent audit oversight.

Key strategic risks during the year included financial sustainability, workforce capacity and capability, increasing digital and cyber-related demand, and rising complexity in safeguarding. These risks were monitored through the Strategic Risk Register, with mitigation plans regularly reviewed by senior leadership. The organisation also continued to respond to increased national scrutiny around police legitimacy, transparency and use of powers, with a continued focus on ethical standards and public confidence.

The Constabulary also monitored trends in public complaints and use of police powers, ensuring that learning is identified and that policing remains fair, proportionate and transparent.

12. Financial Outlook and Future Challenges

The Constabulary achieved a balanced revenue outturn position for 2025/26, representing a £1.4m favourable movement from the position reported at the third quarter. This reflects strong financial management despite sustained operational pressures.

	Full Year Budget	Outturn Actual	Carry Forwards	Total Outturn	Outturn Variance	
	£000	£000	£000	£000	£000	%
Police Pay	146,168	146,657	0	146,657	489	0%
Overtime	3,343	4,240	0	4,240	897	27%
Crime	20,755	21,504	0	21,504	749	4%
Operations	46,317	45,713	109	45,822	(495)	(1%)
Centrally Delivered Services	36,683	37,157	0	37,157	474	1%
Collaborations	12,211	11,877	0	11,877	(334)	(3%)
Contingency (a)	29	(344)	0	(344)	(373)	N/A
Corporate Costs	(5,718)	(7,138)	13	(7,125)	(1,407)	25%
Total Constabulary Costs	259,788	259,666	122	259,788	0	0%

(a) Percentage variance is not shown for contingency due to the small base budget and the non-recurring nature of the provision release.

Cost pressures were most evident in police pay, overtime and local policing, driven by increased demand, workforce changes and higher abstraction requirements. These pressures were offset through favourable corporate financing, including higher investment income, additional grant funding and underspends across a number of support services.

The capital programme delivered £11.4m of investment during the year against a revised budget of £15.4m, with £3.8m of slippage primarily relating to multi-year estates schemes. This reflects the timing of major projects rather than any reduction in scope or delivery.

The reported £1.64bn net liability in the Balance Sheet does not represent an immediate debt. It reflects long-term pension obligations that will be funded over many years through employer contributions and Government grant.

The financial outturn reflects the operational pressures described in this report, particularly in relation to workforce costs, safeguarding demand and overtime expenditure.

Capital Expenditure

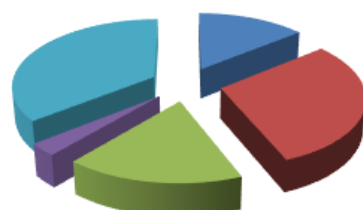
<u>Capital Expenditure</u>	£000	
Property	5,078	44.4%
Vehicles	3,401	29.8%
Equipment	2,947	25.8%
Intangibles	0	0.0%
Total	11,426	100.0%



■ Property ■ Vehicles
■ Equipment ■ Intangibles

Capital Financing

<u>Capital Financing</u>	£000	
Capital Receipts	1,614	14.1%
Revenue Contributions	3,402	29.8%
Earmarked Reserves	1,981	17.3%
Lease	341	3.0%
Borrowing	4,088	35.8%
Total	11,426	100.0%



■ Capital Receipts ■ Revenue Contributions
■ Earmarked Reserves ■ Lease
■ Borrowing

Overall, the financial outturn demonstrates the Constabulary's ability to manage demand-led pressures while maintaining financial stability and continuing to invest in priority areas.

The financial environment remains challenging, with inflationary pressures, pay awards and increased employer National Insurance contributions affecting future cost forecasts. In addition, uncertainty around future funding settlements continues to present a risk to medium-term financial planning.

The Constabulary has developed a robust Medium-Term Financial Strategy, identifying savings and efficiency opportunities while protecting frontline services. Public consultation continues to inform decisions on the policing precept, supporting transparency and alignment with community priorities.

Maintaining investment in neighbourhood policing, safeguarding and technology while ensuring financial sustainability will remain a key challenge in 2026/27 and beyond.

Resources continue to be aligned to priorities, delivering value for money and improved outcomes for the public.

General reserves at 31 March 2026 remained above the minimum financial health threshold at 3% of net revenue expenditure, providing some resilience against future risks. However, headroom remains limited, reinforcing the need for continued financial discipline and sustainable medium-term planning.

Carry forward requests totalling £0.473m have been identified to support delivery of committed activity in 2026/27, ensuring continuity of priority programmes. This primarily reflects the phasing of multi-year estates schemes and does not represent a reduction in delivery.

13. Summary

In summary, 2025/26 has been a strong year for operational delivery, with continued investment in modern policing and recognition at a national level. Cheshire Constabulary has reduced crime, improved outcomes for victims and maintained public confidence, while managing increasing demand and financial pressures. The organisation is well placed to build on this progress and respond to emerging risks and challenges.

This performance has been delivered alongside a balanced financial position, demonstrating effective stewardship of public funds. However, the medium-term outlook remains challenging, with ongoing pressures from inflation, pay awards and funding uncertainty. Maintaining financial resilience while protecting frontline services will remain a key priority in the years ahead.

Further Information

Every effort has been made to ensure that the information provided in this Statement of Accounts is clear and informative. Should you require further information or have any comments, please contact:

Bill Malloy, Chief Finance Officer, Cheshire Constabulary (01606 362035),

or via the Office of the Police and Crime Commissioner, Clemonds Hey, Oakmere Road, Winsford, Cheshire, CW7 2UA. Online access is available at <https://www.cheshire-pcc.gov.uk/contact/get-in-touch>.



Bill Malloy, Chief Finance Officer (s151), Cheshire Constabulary

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Chief Constable for Cheshire

The Chief Constable is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this organisation, that officer is the Chief Finance Officer (Constabulary).
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

I approve this Statement of Accounts.

Mark Roberts
Chief Constable for Cheshire

Responsibilities of the Chief Finance Officer (Constabulary)

The Chief Finance Officer (Constabulary) is responsible for the preparation of the Statement of Accounts for the Chief Constable in accordance with the proper practices set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom* ('the Code').

In preparing this Statement of Accounts, the Chief Finance Officer (Constabulary) has:

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

Chief Finance Officer Certificate

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



Bill Malloy, CPFA
Chief Finance Officer (s151), Cheshire Constabulary
30th June 2026

INDEPENDENT AUDITOR’S REPORT TO THE CHIEF CONSTABLE FOR CHESHIRE

Report on the Audit of the Financial Statements

To Follow

Report on the Audit of the Financial Statements

To Follow

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Report on the Audit of the Financial Statements

To Follow

Report on the Audit of the Financial Statements

To Follow

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Report on the Audit of the Financial Statements

To Follow

MOVEMENT IN RESERVES STATEMENT

2025/26	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2025	0	0	(1,667,357)	(1,667,357)
Total Comprehensive Expenditure and Income	(27,774)	0	51,340	23,566
Adjustments between accounting basis & funding basis under regulations – see Note 9	27,774	0	(27,774)	0
Net Increase/(Decrease) before transfers to Earmarked Reserves	0	0	23,566	23,566
Transfers to/(from) Earmarked Reserves	0	0	0	0
Increase/(Decrease) in year	0	0	23,566	23,566
Balance at 31 March 2026	0	0	(1,643,789)	(1,643,789)
2024/25	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2024	0	0	(1,844,960)	(1,844,960)
Total Comprehensive Expenditure and Income	(36,756)	(36,756)	214,357	177,601
Adjustments between accounting basis & funding basis under regulations – see Note 9	36,756	36,756	(36,756)	0
Net Increase/(Decrease) before transfers to Earmarked Reserves	0	0	177,601	177,601
Transfers to/(from) Earmarked Reserves	0	0	0	0
Increase/(Decrease) in year	0	0	177,601	177,601
Balance at 31 March 2025	0	0	(1,667,357)	(1,667,357)

Unusable reserves opening balance and adjustments between accounting and funding includes adjustment of £128k for IFRS16 opening balances. This reflects a prior year reassessment of lease classifications and opening right-of-use asset balances following the implementation of IFRS 16.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

31 March 2025			31 March 2026		
£000	£000	£000	£000	£000	£000
Expenditure	Income	Net	Expenditure	Income	Net
129,881	0	129,881	135,286	0	135,286
25,474	0	25,474	25,886	0	25,886
45,966	0	45,966	46,140	0	46,140
35,032	0	35,032	33,167	0	33,167
11,312	0	11,312	10,429	0	10,429
		0	(344)	0	(344)
1,081	0	1,081	1,389	0	1,389
248,746	0	248,746	251,953	0	251,953
	(298,201)	(298,201)		(316,266)	(316,266)
		(49,456)			(64,313)
		0			0
		86,211			92,086
		0			0
		36,756			27,774
		0			0
		0			0
		(214,357)			(51,340)
		(214,357)			(51,340)
		(177,601)			(23,566)

- (a) Centrally Delivered Services and Corporate Costs were reorganised in 2025/26. Prior year figures have been restated to reflect the revised structure, with Centrally Delivered Services previously reported at £36,451k net and Corporate Costs at £(338)k net. Service classifications have been updated accordingly to align with the current organisational structure and ensure consistency of comparators.
- (b) The CIES includes pension-related accounting adjustments, which are non-cash and reversed out through the Movement in Reserves Statement as explained in Note 9 and Note 14. The significant reduction in actuarial losses reflects changes in key assumptions, including increases in discount rates and movements in inflation expectations. Pension valuations are inherently sensitive to these assumptions, and relatively small changes can result in material fluctuations in the reported liability. These movements are accounting adjustments only and do not impact the funding position or the level of contributions payable in the year.

(c) All government grants and taxation income are recognised in the PCC and Group accounts.

The differences between the Expenditure and Funding Analysis and the Comprehensive Income and Expenditure Statement are primarily driven by IAS 19 pension adjustments. These are non-cash accounting entries reversed out through the Movement in Reserves Statement.

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BALANCE SHEET AS AT 31 MARCH 2026

31 March 2025 £000		31 March 2026 £000	£000	Notes
0	Property, Plant & Equipment	0		
0	Intangible Assets	0		
0	Long Term Debtors	0		
0	Long Term Assets		0	
	Stock	0		
0	Short Term Debtors	0		
0	Cash and Cash Equivalents	0		
0	Assets (held for sale)	0		
0	Current Assets		0	
0	Short Term Borrowing	0		
(5,597)	Short Term Creditors	(5,959)		
(5,597)	Current Liabilities		(5,959)	
0	Long Term Creditors	0		
0	Provisions	0		
0	Long Term Borrowing	0		
(1,661,760)	Other Long Term Liabilities	(1,637,830)		14
(1,661,760)	Long Term Liabilities		(1,637,830)	
(1,667,357)	Net Liabilities		(1,643,789)	
	Represented By:			
0	Usable Reserves		0	
(1,667,357)	Unusable Reserves		(1,643,789)	11
(1,667,357)	Total Reserves		(1,643,789)	

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The Chief Constable does not directly hold assets, cash balances or usable reserves. These are held and managed by the Police and Crime Commissioner (PCC) in accordance with statutory arrangements. The Balance Sheet therefore reflects only those balances required to be held by the Chief Constable, principally pension liabilities and employee benefit accruals.

All provisions and contingent liabilities relating to policing activities are held by the PCC. The Chief Constable does not recognise provisions on the Balance Sheet in accordance with the statutory accounting framework.

The net liability position is primarily driven by pension liabilities calculated under IAS 19. Further detail is provided in Note 14 (Employee Benefits). These liabilities are long-term and funded through statutory arrangements. The Balance Sheet includes a net pension liability of £1,637.8m at 31 March 2026 (2024/25: £1,661.8m). This represents the estimated long-term cost of pension benefits earned by employees to date, calculated by independent actuaries in accordance with IAS 19.

This liability reflects accounting requirements and does not represent an immediate financial obligation. Statutory funding arrangements ensure that pension costs are met from future employer contributions and Government grant funding as they fall due.

Group pension liabilities include both Constabulary and OPCC staff liabilities; the Chief Constable accounts include only Constabulary staff.

Bill Malloy

Bill Malloy, CPFA – Chief Finance Officer (s151) (Constabulary)
Date: 30th June 2026

CASH FLOW STATEMENT

31 March 2025 £000		31 March 2026 £000
36,756	Net (surplus) or deficit on the provision of services	27,774
	Adjust net (surplus) or deficit on the provision of services for non-cash movement	
0	Depreciation	0
0	Amortisation	0
(36,607)	Pensions - actuarial movement	(27,410)
(148)	Movement in Creditors	(364)
0	Movement in Debtors	0
0	Movement of Stock	0
0	Other non-cash items	0
0	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	0
0	Net cash flow from operating activities	0
0	Investing Activities	0
0	Financing Activities	0
0	Net (increase) or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	0
0	Net (increase) or decrease in cash and cash equivalents	0

The Chief Constable does not directly manage cash or cash equivalents. All cash transactions are undertaken by the PCC. Accordingly, no net cash movements are reported in this statement.

EXPENDITURE AND FUNDING ANALYSIS NOTE (please see explanation on page 41)

2024/25			2025/26		
Net Expenditure Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis (Note 5) £000	Net Expenditure Comprehensive Income and Expenditure Statement £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis (Note 5) £000	Net Expenditure Comprehensive Income and Expenditure Statement £000
149,115	(19,235)	129,881	162,205	(26,919)	135,286
29,246	(3,772)	25,474	31,037	(5,151)	25,886
52,774	(6,807)	45,966	55,321	(9,181)	46,140
41,879	(6,847)	35,032	41,462	(8,295)	33,167
12,955	(1,642)	11,312	12,400	(1,971)	10,429
0	0	0	(344)	0	(344)
3,719	(2,638)	1,081	3,723	(2,334)	1,389
289,688	(40,943)	248,745	305,804	(53,851)	251,953
(289,688)	(8,514)	(298,201)	(305,804)	(10,463)	(316,266)
0	(49,456)	(49,456)	0	(64,313)	(64,313)
0	0	0	0	0	0
0	86,211	86,211	0	92,086	92,086
0	0	0	0	0	0
0	36,755	36,755	0	27,774	27,774
0			0		
0			0		
0			0		

(a) Centrally Delivered Services and Corporate Costs reorganised in 2025/26, 2024/25 figures restated to reflect the new structure – previously Centrally Delivered Services £36,451k net and Corporate Costs £(338)k net. Service classifications have been updated to reflect organisational structure. Prior year comparators have been restated where necessary to ensure consistency.

(b) The negative contingency expenditure of £(344)k relates to the release of a legal provision previously recognised for potential claims. Following a review of the underlying cases and updated legal advice, the provision is no longer required and has been released to revenue in 2025/26.

The differences between the Expenditure and Funding Analysis and the Comprehensive Income and Expenditure Statement are primarily driven by IAS 19 pension adjustments. These are non-cash accounting entries reversed out through the Movement in Reserves Statement. Income relating to operational policing is recognised within the PCC accounts in accordance with statutory governance arrangements. Additionally, the Group Cost of Services includes PCC-held income and OPCC activity not reflected in the Chief Constable accounts.

FURTHER NOTES TO THE ACCOUNTS

1. Accounting Policies and Principles

1.1 General Principles

This Statement of Accounts summarises the Chief Constable's transactions for the 2025/26 financial year and the position at 31 March 2026. The Chief Constable is required to prepare an Annual Statement of Accounts by the Accounts & Audit (England) Regulations 2015 which require such accounts to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003 Act primarily comprise the Code of Practice of Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

1.1.1 Accounting Conventions

The financial statements are prepared on a going concern basis under the historical cost convention, modified by the revaluation of certain categories of non-current assets and, where material, financial instruments in accordance with the relevant standards. Only accounting policies material to the understanding of these accounts are disclosed.

Activities are accounted for in the year they take place, not simply when cash is paid or received. In particular:

- Revenue from contracts with service recipients (whether for services or goods) is recognised when or as the goods or services are transferred to the service recipient in satisfaction of performance obligations, in accordance with IFRS 15.
- Supplies are recorded as expenditure when they are consumed – if received in advance of use, they are carried as stock on the Balance Sheet until consumption.
- Expenses for services received (including those provided by employees) are recorded as expenditure when the service is received, rather than when payment is made.
- Interest payable on borrowings and receivable on investments is accounted for as expenditure or income using the effective interest rate method, not on a cash paid/received basis.
- Where income or expenditure has been recognised in the Comprehensive Income and Expenditure Statement but cash has not been received or paid, a corresponding debtor or creditor is recorded on the Balance Sheet. Where collection of a debtor is doubtful, it is written down and an impairment charge is made to revenue for the likely uncollectable amount.

The Statement of Accounts has been prepared on a going concern basis. The Chief Constable is a statutory corporation sole and is expected to continue in operational existence for the foreseeable future. This assessment reflects the statutory framework for policing, whereby the Chief Constable operates with ongoing financial support from the Police and Crime Commissioner (PCC) to deliver public services. Accordingly, there are no material uncertainties that would cast doubt on the Chief Constable's ability to continue as a going concern.

Where the CIPFA Code does not provide specific guidance, relevant IFRS standards and interpretations are applied.

1.2 Cash and Cash Equivalents

Cash is defined as cash in hand and deposits with financial institutions repayable on demand without penalty. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Only investments maturing in three months or less from acquisition are treated as cash equivalents. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts that are repayable on demand and form an integral part of cash management are netted against cash and cash equivalents for reporting purposes.

1.3 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are made only when required by proper accounting practices or if they result in the financial statements providing more reliable and relevant information. Where a change is made, it is applied retrospectively (unless stated otherwise by the Code) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively in the current and future periods; they do not result in prior period adjustments.

Prior period errors are corrected retrospectively by restating opening balances and comparative amounts for the prior period if the error is material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions of users of the financial statements.

1.4 Charges to Revenue for Non-Current Assets

Services are debited with the following charges to record the cost of holding non-current assets during the year: depreciation of tangible assets, amortisation of intangible assets, and, where not covered by revaluation reserves, any impairment or downward revaluation losses on assets used. These charges do not impact the amount to be raised from taxation. The Chief Constable is not required to raise council tax to cover such depreciation, revaluation losses or amortisation. Instead, a prudent annual provision (the Minimum Revenue Provision) is made from revenue to reduce the overall borrowing requirement, in line with statutory guidance. Depreciation, amortisation and any impairments are therefore replaced by the Minimum Revenue Provision in the Movement in Reserves Statement (via the Capital Adjustment Account), so that there is no impact on the General Fund balance.

1.5 Employee Benefits

Benefits payable during employment

Short-term employee benefits (those falling due wholly within 12 months of the year-end) include wages and salaries, paid annual leave and sick leave, bonuses and non-monetary benefits for current employees. These are recognised in the CIES as an expense in the period in which employees render service. An accrual is made at the end of each financial year for any accumulating compensated absences (e.g. untaken annual leave, flexitime or time off in lieu) that have been earned by employees but not yet taken at the balance sheet date. The accrual is made at the salary rates applicable at year-end and is charged to the Surplus/Deficit on Provision of Services, but then reversed out through the Movement in Reserves Statement to the Accumulated Absences Account so that these amounts do not impact the General Fund balance in the year of accrual.

Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These costs are recognised at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises restructuring costs, and are expensed in the CIES. When termination benefits involve enhancement of pensions, a charge is made to the General Fund for the amounts actually payable to the pension fund or retirees in the year, with any accounting accruals for pension strain costs reversed out through the Movement in Reserves Statement to the Pensions Reserve.

Post-employment benefits

The Chief Constable's employees may be members of one of two separate pension schemes:

- Police Staff - the Local Government Pension Scheme (LGPS), a funded defined benefit plan administered by Cheshire West and Chester Council.
- Police Officers - the Police Pension Schemes (1987, 2006, 2015 schemes), which are unfunded defined benefit plans administered nationally (with employer contributions and Government top-up grant funding the cost of benefits payable).

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Chief Constable. The LGPS is funded, meaning employer and employee contributions are invested to meet future benefit payments; the Police schemes are unfunded, meaning no investment assets are set aside and contributions are topped up by Government as needed to pay current pensions.

Pension liabilities are calculated by independent actuaries using the projected unit credit method, assessing the future payments that will be required for earned benefits using assumptions about mortality rates, employee turnover, salary growth, retirement ages, pension increases, etc. Liabilities are discounted to present value using an appropriate discount rate (based on market yields on high quality corporate bonds for the LGPS and Government bond yields for police pensions). Pension scheme assets (LGPS only) are included at fair value at the reporting date: for example, quoted securities at current bid price, unquoted securities at professional estimate, and property at market value.

The change in the net pension liability each year is analysed into several components:

- **Service cost:** the additional liability that results from one more year of service earned – allocated in the CIES to the services for which the employees worked. This includes current service cost (the cost of benefits earned this year) and any past service cost or gain/loss on curtailments (from plan amendments or reductions).
- **Net interest cost:** the expected increase in the liability that arises because the benefits are one year closer to settlement, net of expected return on plan assets. This is calculated by applying the discount rate at the start of the period to the net defined benefit liability at that date, and is charged to the Financing and Investment Income and Expenditure line of the CIES.
- **Re-measurements:** these comprise actuarial gains and losses (differences between actuarial assumptions and actual experience, or changes in assumptions) and the return on plan assets (excluding amounts included in net interest). Re-measurements are charged to Other Comprehensive Income and Expenditure and immediately reflected in the **Pensions Reserve**.

- **Employer contributions:** cash paid by the Commissioner to the pension fund (or as pensions for unfunded schemes) in settlement of obligations; these reduce the net liability but do not appear in the CIES (they are accounted for through the Movement in Reserves via the Pensions Reserve).

Statutory provisions require that the General Fund is charged with the amount payable to pension funds or pensioners in the year, not the amount calculated according to accounting standards. In the Movement in Reserves Statement, appropriations are made to and from the Pensions Reserve to remove the notional IFRS pension costs (service cost, net interest, re-measurements) and replace them with the cash paid and any unpaid contributions at year-end. This ensures that the accounting entries for retirement benefits do not impact the funding requirement or council tax. The negative balance on the Pensions Reserve reflects the substantial short-term accounting liability (to be funded over time through employer and government contributions).

Discretionary Benefits: The Commissioner also has limited powers to award discretionary post-retirement benefits upon early retirements (e.g. awarding added years of service). Any liabilities for such discretionary benefits (which are additional to the funded LGPS benefits) are accrued in the year of the decision to make the award and are treated similarly to the LGPS defined benefit liabilities.

Injury Awards (Police Officers): The Police Pension Schemes regulations provide for injury awards to officers injured in the line of duty. These injury benefits are outside the main pension schemes and are funded directly by the Commissioner. The liability for future injury award payments is estimated by actuaries and included in the overall pension liability in the Balance Sheet (measured on an actuarial basis similar to the pension schemes). Injury benefit expenditure is charged to the CIES as it is paid, and does not affect the pension reserve (since injury awards are not part of the funded/unfunded pension scheme reserves).

1.6 Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period (31 March) and the date when the Statement of Accounts is authorised for issue. Two types are considered:

- **Adjusting events:** those that provide evidence of conditions that existed at the balance sheet date. For adjusting events, the amounts recognised in the accounts are adjusted (upwards or downwards) to reflect the event.
- **Non-adjusting events:** those that are indicative of conditions that arose after the balance sheet date. The accounts are not adjusted for these events, but if they are material, disclosure is made in the notes of the nature of the events and an estimate of their financial effect.

1.7 Financial Instruments

The Commissioner is the responsible body for financial instruments and sets the appropriate accounting policy which is included in his and the Group Statement of Accounts.

1.8 Stock

All stock is shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of Accounts.

1.9 Joint Operations

Joint operations are arrangements where the Commissioner and/or Chief Constable and another party (or parties) have joint control and the arrangements give the parties rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations (such as collaborative policing units) are not separate entities; each participating body accounts for its own assets, liabilities, income and expenses incurred jointly.

The Chief Constable accounts for the assets, liabilities, income, and expenditure relating to its interest in any joint operations in line with the CIPFA Code and IFRS 11:

- Its share of the joint assets (and any assets jointly controlled).
- Its share of liabilities (and any joint liabilities incurred).
- Its share of income from the sale or provision of outputs by the joint operation, and its share of any expenses incurred jointly.

This results in the Chief Constable's accounts reflecting a proportionate share of transactions and balances of any joint operations, rather than a separate "investment in joint operation" line.

1.10 Leases (IFRS 16)

Under statutory arrangements, all lease assets and liabilities are recognised in the PCC and Group accounts rather than the Chief Constable accounts

Operating Leases - Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the lease property, plant and equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (for example if there is a rent free period at the start or end of the lease).

1.11 Overheads and support services

The costs of overheads and support services are charged to services in accordance with the organisation's arrangements for accountability and financial performance. Support costs are allocated to services using appropriate and justifiable allocation bases that reflect the consumption of resources. The allocation of overheads is applied in accordance with the principles of the CIPFA Service Reporting Code of Practice (SeRCOP), ensuring that the total cost of services reflects a full and transparent allocation of resources. All material overheads, except those defined as corporate and democratic core or non-distributed costs, are fully allocated to services. Where required for statutory or statistical reporting, service expenditure prepared under SeRCOP is reconciled to the Comprehensive Income and Expenditure Statement.

1.12 Property, Plant and Equipment

All property, plant and equipment are shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of Accounts.

1.13 Private Finance Initiative (PFI)

All PFI schemes are shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of Accounts.

1.14 Provisions, Contingent Assets and Liabilities

Provisions

All provisions are shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of Accounts.

Contingent Assets

All contingent assets are shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of Accounts.

Contingent Liabilities

All contingent liabilities are shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of Accounts.

1.15 Reserves

Certain reserves are held to manage the accounting processes of assets and retirement benefits and do not represent usable resources available to the Chief Constable – these reserves are explained in the relevant policies.

1.16 Value Added Tax (VAT)

VAT is excluded from both income and expenditure to the extent that it is recoverable from His Majesty's Revenue & Customs. Irrecoverable VAT is charged to the appropriate heading in the CIES (either an expense or part of the capital cost of an asset, depending on the nature of the item). All VAT collected is payable to HMRC and all VAT paid is recoverable from HMRC under the local authority VAT regime.

2. Accounting Standards issued, not yet adopted

The Code of Practice for Local Authority Accounting in the UK 2025/26 (the Code) requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. The Code requires an authority 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 for the relevant financial year. The additional disclosures that may be relevant for additional disclosures that will be required in the 2025/26 and 2026/27 financial statements in respect of accounting changes that are introduced in the 2025/26 Code (i.e., that are relevant to the requirements of paragraph 3.3.4.3) are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

The above changes have no impact on these accounts but will be reviewed during 2026/27 and any amendments required will be clearly shown in the 2026/27 Statement of Accounts.

3. Critical Judgements in applying Accounting Policies

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

- With the creation of the two corporations sole (the Commissioner and the Chief Constable) and the requirement for each to produce their individual statements of account, judgements have been made as to which statement of account income; expenditure; assets and liabilities have been allocated. This has been based on the substance of the transaction and not just the legal form.

The key judgements are:

- All income and grants are recognised in the Commissioner's Statement of Account
- All day to day expenditure outside of those properly charged to the Office of the Police & Crime Commissioner are recognised in the Chief Constable's Statement of Accounts
- All assets are held by the Commissioner who consents to their usage by the Constabulary in pursuance of their policing service for which a 'fair use' charge is applied to the Chief Constable, received by the Commissioner
- All liabilities are held by the Commissioner with the exception of the Accumulated Absences and Pension Liability applicable to the Constabulary for which the Chief Constable holds unusable reserves
- All other reserves are held by the Commissioner
- The Chief Constable is involved in various ways of delivering policing services and it has therefore been necessary to consider carefully the accounting implications of collaboration covering all circumstance where working co-operatively with other police forces and Chief Constables. The Chief Constable has carefully considered all collaborative activity. The judgements and accounting treatment of collaborative activity can be found in Note 10.

4. Assumptions made about the future & other major sources of estimation uncertainty

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

The items in the Chief Constable's Balance Sheet at 31 March 2026, for which there is a significant risk of material adjustment in the forthcoming financial year, are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	<p>Estimation of net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets (where applicable).</p> <p>The Government's Actuary Department is engaged to provide the Commissioner with expert advice about the assumptions to be applied for Police Pensions and Cheshire West & Chester Council provide information on the Local Government Pension Scheme.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in a decrease in the pension liability of £5.435m for the Local Government Pension Scheme.</p> <p>However, the assumptions interact in complex ways. Where assumptions do change these are reported as actuarial gains and losses within the 'Other Income and Expenditure' line in the Comprehensive Income and Expenditure Statement. These changes only impact on the Pension Reserve & Liability & have no impact on general reserve.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

5. Note to the Expenditure and Funding Analysis

The following tables show the breakdown of the Adjustments between the Funding and Accounting Basis shown in the Expenditure and Funding Analysis on page 32.

2025/26

Adjustments from GF to arrive at the Comprehensive Income & Expenditure Statement	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Police Pay	7,256	(34,373)	198	(26,919)
Crime	1,388	(6,577)	38	(5,151)
Operations	2,475	(11,723)	68	(9,181)
Centrally Delivered Services	825	(9,173)	53	(8,295)
Collaborations	531	(2,517)	15	(1,971)
Corporate Costs	(2,149)	(185)	0	(2,334)
Net cost of services	10,327	(64,549)	371	(53,851)
Other income & expenditure from the funding analysis	0	92,086	(10,463)	81,623
Difference between GF and CIES surplus/ deficit	10,327	27,538	(10,092)	27,774

2024/25

Adjustments from GF to arrive at the Comprehensive Income & Expenditure Statement	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Police Pay	6,194	(25,508)	79	(19,235)
Crime	1,215	(5,003)	16	(3,772)
Operations	2,192	(9,028)	28	(6,807)
Centrally Delivered Services	849	(7,721)	24	(6,847)
Collaborations	529	(2,178)	7	(1,642)
Corporate Costs	(2,003)	(635)	0	(2,638)
Net cost of services	8,977	(50,073)	154	(40,942)
Other income & expenditure from the funding analysis		86,211	(8,514)	77,698
Difference between GF and CIES surplus/ deficit	8,977	36,139	(8,360)	36,756

6. Expenditure and Income Analysed by Nature

Subjective Analysis of Expenditure Chief Constable

	2025/26 £000	2024/25 £000
Employees - Police Pay and Allowances	167,373	155,583
- Civilian Pay and Allowances	75,605	72,314
- Other Pay and Allowances	5,198	5,162
Premises	11,466	11,427
Transport	4,853	5,049
Supplies & Services	22,157	20,736
Third Party Payments	15,892	16,388
IAS19 Pension costs	(64,549)	(50,073)
Depreciation and Amortisation of Assets	0	0
Fair Use of Assets	13,587	12,005
Movement in Accumulated Absences Reserve	371	154
Total Service Expenditure	251,953	248,746
Service Income (<i>see below</i>)		0
Funding from PCC	(316,266)	(298,201)
Net Cost of Service	(64,312)	(49,456)
(Profit)/Loss on Disposal of Assets	0	0
Interest Payable and Similar Charges	0	0
Interest and Investment Income	0	0
IAS19 Pension Net Interest Cost	92,085	86,211
Net Operating Expenditure	27,774	36,755
Police Grant	0	0
Formula Funding	0	0
Precept on Council Tax Collection Funds	0	0
Legacy Council Tax Grants	0	0
Police Pay Award Grant – see below*	0	0
PFI Grant - interest element	0	0
Council Tax Collection Fund related grants	0	0
Capital Grants	0	0
Capital Contributions	0	0
Deficit / (Surplus) on Provision of Services	27,774	36,756

7. Post Balance Sheet events

There are no post balance sheet events to report.

8. Notes to the Comprehensive Income and Expenditure Statement

Within the Comprehensive Income and Expenditure Statement there is summary line containing financial data which is explained in detail below.

Financing & Investment Income and Expenditure

	2025/26 £000	2024/25 £000
Pension Interest Cost & Expected Return on Assets	92,085	86,211
Total	92,085	86,211

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 Chief Constable in the year in accordance with proper accounting practice.

2025/26	General Fund Balance £000	IAS19 Pension Reserve £000	Accum Absence Reserve £000	Total Unusable Reserves £000
<i>Other Comprehensive Expenditure and Income:</i>				
Pensions: Actuarial Gains and Losses	0	(51,340)	0	(51,340)
	0	(51,340)	0	(51,340)
<i>Adjustments between accounting basis & funding basis under regulations:</i>				
Current Service Costs	64,675	(64,675)	0	(64,675)
Past Service Costs	0	0	0	0
Pensions – Net Interest	(92,086)	92,086	0	92,086
Accumulated Absences Account	(362)	0	362	0
	(27,774)	27,411	362	27,411
<i>2024/25</i>				
2024/25	General Fund Balance £000	IAS19 Pension Reserve £000	Accum Absence Reserve £000	Total Unusable Reserves £000
<i>Other Comprehensive Expenditure and Income:</i>				
Pensions: Actuarial Gains and Losses	0	(214,357)	0	(214,357)
	0	(214,357)	0	(214,357)
<i>Adjustments between accounting basis & funding basis under regulations:</i>				
Current Service Costs	49,604	(49,604)	0	(49,604)
Past Service Costs	0	0	0	0
Pensions – Net Interest	(86,211)	86,211	0	86,211
Accumulated Absences Account	(148)	0	148	0
	(36,756)	36,607	148	36,607

10. Partnerships & Operational Collaborations

The Commissioner worked with a number of partners during 2025/26. Service level agreements exist to define the role of each of the bodies involved. In all these agreements each party is responsible for their own liabilities, and these cannot be passed or transferred to the other parties involved. They operate as joint operations in accordance with International Financial Reporting Standards (IFRS 11).

Total expenditure relating to collaborative arrangements included within the Comprehensive Income and Expenditure Statement is £10.765m in 2025/26, analysed across service areas.

Northwest Regional Organised Crime Unit (NWROCU)

NWROCU consists of the Regional Organised Crime Team (ROCT); Regional Intelligence Unit (RIU); Operational Security (OPSY); Regional Confidential Unit (RCU); Regional Technical Surveillance Unit (RTSU); Regional Prison Intelligence Unit (RPIU); Business Support; Pooled resources, SSAS Airbox; Covert Operations 1-3; Surveillance Training; Financial Pressures; Operation Falcon; NWROCU Operating Team; Intelligence & Harm Capability; Cyber/Economic Capability; Pooled Resources and Premises Costs. The combined unit serves the areas of Cheshire, Greater Manchester, Merseyside, Lancashire, Cumbria, and North Wales. It is staffed by police officers and support staff from the six constituent forces with the net expenditure met from the six forces. The amount reflected in Cheshire's accounts 2025/26 overall is £3.1m (£2.9m in 2024/25).

Northwest Police Underwater Search and Marine Unit

The Northwest Police Underwater Search and Marine Unit (UWMSU) serve the areas of Cheshire, Greater Manchester, Merseyside, Lancashire, Cumbria, and North Wales and is staffed by police officers and one part-time support staff from five of the six constituent police forces with the overall expenditure being met by those forces. For 2025/26, the Police and Crime Commissioner for Cheshire charged expenditure on the provision of police officers, police staff, equipment, vehicles, and transport to the collaboration. For 2025/26 the total cost of the UWMSU collaboration was £1.3m (£1.2m in 2024/25) and apportioned based on each Commissioner's police grant allocation. Cheshire's contribution amounted to £0.1m (£0.1m in 2024/25).

Northwest Armed Policing Collaboration

The NW Armed Policing Collaboration (NWAPC) has operated as a 4-force training collaboration (North Wales, Cheshire, Cumbria, Merseyside) since 2024 for the delivery of armed policing, firearms command and STO Taser training. The NWAPC has secured a full training license from the College of Policing in respect of its armed policing and currently operates under a provisional training license for STO Taser with the intention of achieving a full training license during 2026. The collaboration team comprises of 2 Police Officers and 11 Police Staff who deliver this regional training and interoperability functionality. In addition, the Collaboration support the operational interoperability and governance of the Northwest regional armed policing and Taser business via Practitioner and Management Boards, (including Lancashire, GMP, BTP, CNC, MDP, NCA), and represent the Northwest forces at national armed policing and less lethal weapons forums. For 2025/26, the total cost of NW Armed Policing Collaboration was £0.9m (£0.8m in 2024/25). This collaboration is apportioned based on each Commissioner's police grant allocation. Cheshire's Contribution amounted to £0.21m (£0.20m in 2024/25).

Cheshire and North Wales Police Alliance

The Cheshire and North Wales Police Alliance have provided armed officers and dog handlers to both forces as a fully integrated joint team since 2014, with dog units joining in 2016. On 1 July 2025, the alliance transitioned to an Armed Policing model, with dog units returning to their respective home forces. The 2025/26 charges include goods and services costs for dogs incurred between 1 April and 30 June 2025. Armed Policing continues to serve Cheshire and North Wales, staffed by officers and support staff, with total expenditure being met by those forces. For 2025/26, Armed Policing costs totalled £9.1m, with PY dog costs of £0.8m, resulting in a combined total of £9.9m (£10.7m in 2024/25). Cheshire's contribution for 2025/26 was £5.5m (£6.1m in 2024/25).

Cheshire Road Safety Group

The Cheshire Road Safety Group commenced in April 2011 and succeeds the former Cheshire Safer Roads Partnership. Financially contributing organisations are Cheshire East Council, Cheshire West and Chester Council and Warrington Borough Council. Halton Borough Council contribute a fixed amount of £20,000 per year. Cheshire Fire is the only non-financial contributing party. The aim of the partnership is to reduce the number of people seriously injured or killed on the roads through the operation and maintenance of speed and red-light safety cameras on roads with a history of vehicle collisions. In 2025/26 costs of £0.605m were incurred which were fully reimbursed by the Group.

Northwest Strategic Roads Automatic Number Plate Recognition

This collaboration commenced in 2008 with collaborative forces of Cheshire, Cumbria, Lancashire with Merseyside, and Greater Manchester joining a short time later. The collaboration was reviewed and reaffirmed at Regional ACPO in April 2011 with North Wales joining in January 2012. However, NWP left the collaboration in 2020 and a formal S22 agreement was published for the remaining partners in 2023. The collaboration had strong links to the Northwest Motorway Policing Group (NWMPG) as Automatic Number Plate Recognition (ANPR) is identified as an effective method of providing protective services across the region's strategic road network, since the NWMPG disbanded 31 March 2025, responsibility for protective services has been transitioned to local Roads Policing Units. Bids secured funding amounting to £1.8m has enabled the ANPR infrastructure to be developed and supported over the last 12 years. The total cost of the collaboration in 2025/26 was £0.10m (£0.10m in 2024/25) and Cheshire's contribution amounted to £0.01m (£0.01m in 2024/25).

Northwest Regional Disaster Victim Co-ordinator

At the Northwest NPCC on 12 April 2018, the Chief Constables of the 6 Forces in the region agreed to fund the above position as a regional post. The agreement was that the cost of the post would be split equally between the 6 Forces. The Police and Crime Commissioner for Lancashire is the lead force. The total cost of the collaboration in 2025/26 was £0.08m (£0.08m 2024/25) and Cheshire's share of costs amounting to £0.01m (£0.01m 2024/25).

Northwest Regional Chronicle Collaboration

Chronicle is a software system used by police forces to manage training records, accreditation evidence, operational data, and operational records for the training and use of firearms. In addition to this, it provides capability for every other training module, and these modules can be bought independently or as a full Chronicle module system by forces. Across the Northwest, this operates as a collaboration between all six forces, supported by a central team responsible for managing the core system. For 2025/26, the costs were shared among the six forces based on the police precept and include expenditure on police staff, supplies and services, and IT cloud provision. Cheshire uses the full Chronicle suite and maintains its own local team to support day-to-day operations. For 2025/26 the total cost of NW Regional Chronicle Collaboration was £0.28m (£0.29m in 2024/25) with Cheshire's share of costs amounting to £0.03m (£0.03m in 2024/25).

Regional ACC Lead

The NW Joint Oversight Committee agreed on the 20 January 2017 that a regional Assistant Chief Constable would be recruited with an equal split of the funding between the 6 NW partner forces. This role has responsibility for all the regional collaborations including NWROCU, NW Armed Policing Collaboration, NW UWMSU and NW ANPR. For 2025/26 the total cost of the NW Regional ACC lead was £0.2m (£0.2m in 2024/25) shared equally between the NW police forces of which Cheshire's share of costs amounting to £0.04m (£0.03m in 2024/25).

Telecoms SPOC Collaboration

The Telecoms SPOC collaboration Section 22 agreement between North Wales Police and Cheshire Constabulary is for a 24/7 telecommunications single point of contact service for the acquisition of communications data under the Investigatory Powers Act 2016 with North Wales Police as Lead Force. On the 1st October 2021 the Telecoms SPOC Collaboration progressed to phase three with the setting up of a single unit across the respective forces with parity on the grades prior to moving to a 24/7 provision during 2022/23. North Wales Police are the lead force and hold £0.14m in reserves on behalf of the collaboration. A portion of this is earmarked to fund 0.50 fte SPOC police staff costs over a two-year period. For 2025/26 the total cost of the Telecoms SPOC collaboration was £1.6m (£1.6m in 2024/25) with Cheshire's share of the costs amounting to £1.0m (£0.9m in 2024/25).

West Coast Collaboration (WCC) BAU, Project Team and AMASS

In February 2019, the Tri-Force collaborating forces of Cheshire, Merseyside and North Wales delivered a single instance of the Niche Records Management System (RMS). This single instance provides immediate access to all operational officers and staff to the combined information and intelligence of the forces. This is a significant step forward in protecting vulnerable people, managing serious threats, and tackling cross border criminality. During 2020/21 a new single networked Niche Business as Usual (BAU) Support Team was agreed and implemented with a centralised and co-ordinated management structure. The Police and Crime Commissioner for Merseyside is the lead force. For 2025/26 the total cost of the West Coast Collaboration was £3.0m (£3.08m in 2024/25) of which the infrastructure, Minerva and AMASS costs are shared between 4 partners (Cheshire, Merseyside, North Wales, and Dyfed Powys) and the salary and Niche support costs shared between 3 partners (Cheshire, Merseyside, and North Wales). Cheshire's share of costs is £0.84m (£0.87m in 2024/25).

COLLABORATION / PARTNERSHIP	2025/26 Spend	Cheshire Contribution	%
Northwest Regional Organised Crime Unit (NWROCU)			
Regional Confidential Unit	£2.90m	£0.302m	10.40
Regional Intelligence Unit	£0.63m	£0.064m	10.18
Operational Security (OPSY)	£0.02m	£0.003m	17.31
Regional Organised Crime Unit	£4.26m	£0.443m	10.40
Regional Technical Surveillance	£4.06m	£0.418m	10.320
Regional Prison Intelligence	£2.14m	£0.213m	9.97
Business Support	£1.67m	£0.170m	10.18
Covert Operations 1	£1.78m	£0.000m	0.00
Covert Operations 2	£1.77m	£0.157m	FIXED
Covert Operations 3	£3.71m	£0.301m	FIXED
Financial Pressures	£0.49m	£0.051m	10.46
Digital Transformation	£0.59m	£0.062m	10.46
Operation Falcon	£0.00m	£0.000m	10.46
SSAS Airbox	£0.03m	£0.004m	10.46
NWROCU Operations Team	£4.20m	£0.403m	9.60
Intelligence and Harm Capability	£1.43m	£0.135m	9.42
Cyber/Economic Capability	£1.26m	£0.121m	9.56
Pooled Resources	£1.00m	£0.105m	10.46
Premises Costs	£0.86m	£0.090m	10.46
TOTAL NWROCU 2025/26	£32.80m	£3.042m	
West Coast Collaboration – Salary Costs	£1.24m	£0.354m	28.67
West Coast Collaboration – Niche Support Costs	£1.16m	£0.350m	30.30
West Coast Collaboration – ICT Infrastructure	£0.31m	£0.076m	24.79
West Coast Collaboration – Minerva Support Costs	£0.10m	£0.025m	25.00
West Coast Collaboration – Listpoint/aligned asset	£0.04m	£0.000m	0.00
West Coast Collaboration - AMASS	£0.15m	£0.038m	24.79
TOTAL WEST COAST COLLABORATION 2025/26	£3.00m	£0.843m	
AP Alliance (Pre Dog Dis-aggregation)	£2.38m	£1.366m	57.48
AP Alliance (Post Dog Dis-aggregation)	£6.74m	£3.680m	54.60
Dog Alliance (Disaggregation 30/06/2025)	£0.73m	£0.422m	57.48
TOTAL CHESHIRE & NWP ALLIANCE 2025/26	£9.85m	£5.468m	
NW Regional Underwater Search Unit	£1.27m	£0.134m	10.53
NW Armed Policing Collaboration	£0.87m	£0.209m	24.10
Cheshire Road Safety Group	£0.65m	£0.000m	0.00
NW Strategic Roads ANPR	£0.10m	£0.012m	11.32
NW Disaster Victim Co-Ordinator	£0.08m	£0.013m	16.67
NW Regional Chronicle Collaboration	£0.28m	£0.030m	10.57
NW Regional ACC Lead	£0.22m	£0.037m	16.67
SPOC Telecoms Collaboration	£1.62m	£0.977m	60.50
TOTAL 2025/26	£50.74m	£10.765m	

11. Reserves

IAS19 Pension Reserve (Unusable)

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits in accordance with statutory provisions. Post-employment benefits are accounted for in the Comprehensive Income & Expenditure Statement as the benefits 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. Statutory arrangements however require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pays any pensions for which they are directly responsible. The debt balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources 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. The assignment of this reserve is also split between the Commissioner and Chief Constable based on the number of police staff employed. All police officer pension reserve is assigned to the Chief Constable.

2024/25 £000		2025/26 £000
1,839,510	Balance at 1 April	1,661,760
(214,357)	Remeasurements of the net defined benefit liability/(asset)	(51,340)
114,141	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement	110,523
(77,534)	Employer's pensions contributions and direct payments to pensioners payable in the year	(83,113)
1,661,760	Balance at 31 March	1,637,830

Accumulated Absences Reserve (Unusable)

As part of working terms and conditions employees at any given time can hold entitlement to leave, time off in lieu or flexi leave for additional hours worked. This reserve shows the financial impact of such untaken leave at the balance sheet date.

2024/25 £000		2025/26 £000
5,449	Balance at 1 April	5,597
148	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	362
5,597	Balance at 31 March	5,959

12. Officer Remuneration

The Chief Constable is required to detail the remuneration received by senior officers of the Constabulary which are shown in the following tables. The regulations require detailed disclosure for officers who comprise the Strategic Management Team of the Constabulary whose total remuneration excluding the employer's pension contribution exceeds £50,000. The following definitions apply:

Salary including fees and allowances: the amount received under a contract of employment, including any allowances such as housing allowance before the deduction of employees' pension contributions, but excluding payments such as bonuses and benefits in kind. The figures shown separately in the Pensions Contributions column refer to the employers' pension contributions.

Bonuses: payments made under Police Reform Pay and Conditions Agreement 2002 & 2004 and payments for exceptional work.

Benefits in kind: the estimated value of benefits received other than in cash, for example, use of a fleet vehicle.

Compensation for loss of office: includes payments made to or receivable by the person as a result of their termination of employment such as voluntary/compulsory redundancy, voluntary early retirement, pay in lieu of notice, accrued salary or holiday pay etc.

The number of employees whose remuneration, excluding employer's pension contribution and including compensation for loss of office, exceeding £50,000 or more in bands of £5,000 (including those shown on the next table Senior Officers and Relevant Police Officers emoluments) is set out below:

Remuneration Band	Number of Employees	
	2025/26	2024/25
£50,000 - £54,999	504	448
£55,000 - £59,999	402	307
£60,000 - £64,999	176	183
£65,000 - £69,999	159	126
£70,000 - £74,999	68	34
£75,000 - £79,999	14	10
£80,000 - £84,999	6	5
£85,000 - £89,999	4	5
£90,000 - £94,999	8	7
£95,000 - £99,999	5	8
£100,000 - £104,999	9	2
£105,000 - £109,999	4	1
£110,000 - £114,999	2	5
£115,000 - £119,999	0	0
£120,000 - £124,999	0	0
£125,000 - £129,999	1	1
£130,000 - £134,999	0	2
£135,000 - £139,999	2	1
£140,000 - £144,999	0	0
£145,000 - £149,999	1	1
£150,000 - £154,999	0	0
£155,000 - £159,999	0	0
£160,000 - £164,999	0	0
£165,000 - £169,999	0	0
£170,000 - £174,999	0	0
£175,000 - £179,999	0	1
£180,000 - £184,999	0	0
£185,000 - £189,999	1	0
Total	1,366	1,147

Senior Officers and Relevant Police Officers emoluments exceeding £50,000

2025/26 Post Title	Salaries, Fees and Allowances	Bonuses	Severance	Benefits in Kind	Total Remuneration excluding Pension Contributions	Employers Pension Contribution	Total Remuneration including Pension Contributions
Chief Constable – Mark Roberts	188,543	0	0	0	188,543	65,442	253,985
Assistant Chief Constable	138,844	0	0	0	138,844	49,012	187,856
Assistant Chief Constable	138,844	0	0	0	138,844	49,012	187,856
Assistant Chief Constable	125,857	2,000	0	1,681	129,538	39,593	169,131
Deputy Chief Constable ¹	117,530	0	0	922	118,452	31,163	149,615
Chief Superintendent ²	105,820	0	0	0	105,820	35,439	141,259
Chief Superintendent ³	103,542	0	0	0	103,542	35,439	138,981
Chief Legal Officer	111,719	0	0	0	111,719	23,014	134,733
Chief People Officer	109,369	0	0	0	109,369	22,520	131,889
Chief Finance Officer	103,789	0	0	0	103,789	21,381	125,170
Head of Planning & Performance	102,475	0	0	0	102,475	21,110	123,585
Head of IT and Information Security	102,475	0	0	0	102,475	21,110	123,585
Head of Corporate Communications	90,202	0	0	0	90,202	18,582	108,784
Head of Fleet Services	84,645	0	0	700	85,345	16,672	102,017
Chief Superintendent ⁴	73,712	2,000	0	0	75,712	25,236	100,948
Chief Superintendent ⁵	57,851	0	0	0	57,851	19,949	77,800
Deputy Chief Constable ⁶	63,499	0	0	0	63,499	0	63,499
Assistant Chief Constable ⁷	45,568	0	0	0	45,568	14,436	60,004
Chief Superintendent ⁸	37,088	2,000	0	0	39,088	12,653	51,741
Assistant Chief Constable ⁹	37,350	0	0	0	37,350	11,192	48,542
Assistant Chief Constable ¹⁰	29,843	1,500	0	400	31,743	9,438	41,181
Chief Superintendent ¹¹	25,130	0	0	406	25,536	7,791	33,327
Chief Superintendent ¹²	20,037	2,000	0	0	22,037	6,973	29,010
Chief Superintendent ¹³	11,023	2,000	0	60	13,083	1,136	14,219

¹ In post from 28/6/25, ² In post from 7/4/25, ³ In post from 7/4/25, ⁴ In post 1/4/25 to 14/12/25, ⁵ In post from 15/9/25, ⁶ In post 1/4/25 to 31/8/25, ⁷ In post 28/7/25-25/11/25, ⁸ In post 1/4/25-27/7/25, ⁹ In post from 15/12/25, ¹⁰ In post 1/4/25 to 27/6/25, ¹¹ In post from 5/1/26, ¹² In post 1/4/25 to 4/6/25, ¹³ In post 1/4/25 to 13/4/25.

Senior Officers and Relevant Police Officers emoluments exceeding £50,000

2024/25 Post Title	Salaries, Fees and Allowances	Bonuses	Severance	Benefits in Kind	Total Remuneration excluding Pension Contributions	Employers Pension Contribution	Total Remuneration including Pension Contributions
Chief Constable – Mark Roberts	179,244	0	0	0	179,244	62,117	241,361
Deputy Chief Constable	148,537	0	0	0	148,537	0	148,537
Assistant Chief Officer ¹	61,278	0	76,969	0	138,247	12,314	150,561
Assistant Chief Constable	133,191	0	0	0	133,191	47,016	180,207
Assistant Chief Constable	133,191	0	0	0	133,191	47,016	180,207
Head of Estates ²	94,171	0	35,632	0	129,804	14,132	143,936
Chief Superintendent	111,380	2,000	0	0	113,380	34,443	147,823
Chief Superintendent	110,140	2,000	0	0	112,140	37,909	150,049
Chief Superintendent	110,738	2,000	0	0	112,738	34,689	147,427
Chief Superintendent	109,738	2,000	0	0	111,738	38,066	149,804
Assistant Chief Constable ⁸	41,418	0	0	0	41,418	12,933	54,351
Chief Superintendent ⁸	68,036	2,000	0	0	70,036	21,585	91,621
Chief Legal Officer	106,458	0	0	0	106,458	21,930	128,388
Chief People Officer ⁹	101,300	0	0	0	101,300	20,868	122,167
Head of IT and Information Security	96,108	0	0	0	96,108	19,792	115,900
Head of Planning & Performance	95,028	0	0	0	95,028	19,576	114,603
Chief Finance Officer	87,554	0	0	0	87,554	17,284	104,837
Head of Corporate Communications	86,435	0	0	0	86,435	17,794	104,230
Head of Fleet	78,084	0	0	0	78,084	16,086	94,170
Chief Superintendent ³	59,251	0	0	0	59,251	20,668	79,919
Chief Superintendent ⁴	33,985	0	0	0	33,985	11,721	45,706
Chief Superintendent ⁵	21,775	0	0	0	21,775	5,781	27,556
Consultant Lawyer ⁶	20,435	0	0	0	20,435	4,285	24,719
Chief Finance Officer ⁷	8,335	0	0	0	8,335	1,717	10,052

¹ Left September 2024, ² Left December 2024, ³ Left October 2024, ⁴ Started December 2024, ⁵ Left June 2024, ⁶ Left July 2024, ⁷ Started March 2025, ⁸ Promoted during 2024/25, ⁹ Left January 2025

The number of termination benefits with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other agreed departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
£nil - £40,000	0	0	27	17	27	17	£537,026	£414,050
£40,001 - £60,000	0	0	6	2	6	2	£280,700	£97,845
£60,001 - £150,000	0	0	6	7	6	7	£716,736	£646,345
£150,000+	0	0	3	3	3	3	£540,297	£518,303
Total	0	0	42	29	42	29	£2,074,759	£1,676,544

Further information on the above is included in Note 14

13. Related Parties

The Chief Constable is required to disclose material transactions with related parties (i.e. bodies or individuals that have the potential to control or influence the Chief Constable or be controlled or influenced by the Chief Constable). Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in their ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

Central Government

Central Government has effective control over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates, provides the majority of the Commissioner's funding in the form of grants and prescribes the terms of many of the transactions that the Commissioner has with other parties (e.g. council tax bills) and the Commissioner is the provider of funding to the Chief Constable.

The Police Reform & Social Responsibility Act 2011

The above Act created two new corporations sole, the Police & Crime Commissioner and the Chief Constable. Each organisation is required to produce a Statement of Accounts which is subject to external audit under the Local Audit & Accountability Act 2014. The Chief Constable for Cheshire is a wholly owned subsidiary of the Commissioner for Cheshire.

Officers and Staff

The Constabulary maintains a Register of Business Interests for officers and staff.

Declarations of related party relationships have been obtained from the Commissioner, Chief Officers and senior management. A review of these declarations, together with consideration of relevant financial transactions and supporting records (including the gifts and hospitality register), has not identified any material related party transactions requiring disclosure.

Other Public Bodies (subject to common control by Central Government)

Material transactions with other public bodies, such as Borough Councils and the Cheshire Pension Fund, are disclosed within the Comprehensive Income and Expenditure Account and Cash Flow Statement. Additional disclosures relating to partnerships and collaborations are included in Note 13.

Ammunition is held in stock on behalf of both the Constabulary and the Armed Police Alliance (a collaboration between Cheshire Constabulary and North Wales Police), as described in Note 13.

Conclusion

There are no other material related party transactions to report for 2025/26.

14. Employee Benefits

Termination Benefits

The Commissioner and Chief Constable terminated the contracts of 42 employees in 2025/26 incurring liabilities of £2.075m (£1.677m in 2024/25). During 2025/26 some roles were at risk of redundancy due to financial pressures on the force. This led to a consultation on changes to the PCSO model, along with other roles affected by service reviews. All reductions were achieved through voluntary redundancy.

Participation in Pensions Schemes

As part of the terms and conditions of employment of the Chief Constable's officers and staff, the Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments (for those benefits) and to disclose them at the time when employees earn their future entitlement.

The Commissioner's and Chief Constable's officers and staff participate in two pension schemes:

- The Police Pension Scheme for police officers is an unfunded, technically defined benefit scheme, meaning there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year are less than amounts payable, the Commissioner must transfer annually an amount required to meet the deficit to the pension 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, this must be repaid to central government. Details of this scheme are shown in the Pension Account on page 55.
- The Local Government Pension Scheme (LGPS) for Police Staff is administered by Cheshire West and Chester Council. This is a funded defined benefit scheme, meaning that the scheme's liabilities are backed by investment assets. The Commissioner and its employees pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets.

Transactions relating to retirement benefits

The Chief Constable recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The transactions on the next few pages have been charged to the Comprehensive Income & Expenditure Statement and General Fund Balance via the Movement in Reserves Statement during the year. However, since operating under these regulations, pension schemes have generally reported a net liability, but the Local Government Pension Scheme is currently valued with a net asset (as it was in 2024/25). The standard states that when there is a pension surplus reported under IAS19, the rules of IFRIC14 should be followed and should the strict criteria, labelled as an asset ceiling, not be met, the accounting entries must be adjusted accordingly.

In conjunction with the actuaries, the IFRIC14 criteria have been reviewed including the potential economic benefit available as a refund or a contribution reduction; the effects of a minimum funding requirement; and the past service contributions that may increase the liability and have determined that these criteria have not been met. Therefore, the following adjustments have been made to the transactions before being applied to the accounts. Please note these are technical accounting adjustments and do not impact on general reserves or funding.

<u>IFRIC14 Adjustments</u>	2025/26			2024/25		
	IAS19 £000	Adjs £000	IFRIC14 £000	IAS19 £000	Adjs £000	IFRIC14 £000
Net Interest Expense: reversal of IFRIC14 prior year	6,938	(6,783)	155	3,067	(3,028)	39
Asset Ceiling:						
Reversal of IFRIC14 prior year		123,806			65,467	
IFRIC14 current year		(115,751)			(117,023)	
<i>Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>	(46,779)	8,055	(38,724)	49,813	(51,556)	(1,743)
Net liability arising from defined benefit obligation	115,751	(115,751)	0	117,023	(117,023)	0

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Comprehensive Income & Expenditure Statement (Pensions)

	Local Government Pension Scheme		Police Pension Scheme (1987)		Police Pension Scheme (2006)		Police Pension Scheme (2015)		Police Injury Awards Scheme		TOTAL	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<i>Cost of Services:</i>												
• Current Service Costs	(6,994)	(9,803)	0	0	0	0	(10,860)	(16,980)	(500)	(610)	(18,354)	(27,393)
• Past Service Costs	0	0	0	0	0	0	0	0	0	0	0	0
• Settlements & Curtailments	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financing and Investment Income & Expenditure:</i>												
• Net Interest Expense	6,881	3,042	(76,740)	(72,120)	(2,680)	(2,690)	(11,230)	(9,860)	(1,590)	(1,580)	(85,359)	(83,208)
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	(113)	(6,761)	(76,740)	(72,120)	(2,680)	(2,690)	(22,090)	(26,840)	(2,090)	(2,190)	(103,713)	(110,601)
<i>Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>												
• Return on plan assets (not included in net interest expense)	1,412	(12,562)	0	0	0	0	0	0	0	0	1,412	(12,562)
• Actuarial Gains and Losses arising from changes in demographic assumptions	3,177	546	0	1,530	0	180	0	980	0	210	3,177	3,446
• Actuarial Gains and Losses arising from changes in financial assumptions	13,344	58,618	(1,630)	154,320	(19,180)	11,490	76,990	43,320	570	4,070	70,094	271,818
• Other	(31,287)	2,805	0	0	0	0	0	0	0	0	(31,287)	2,805
<i>Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>	(13,354)	49,407	(1,630)	155,850	(19,180)	11,670	76,990	44,300	570	4,280	43,396	265,507

Movement in Reserves Statement (Pensions)

	Local Government Pension Scheme		Police Pension Scheme (1987)		Police Pension Scheme (2006)		Police Pension Scheme (2015)		Police Injury Awards Scheme		TOTAL	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
<ul style="list-style-type: none"> Reversal of net charges made to the Surplus and Deficit for the Provision of Services for post-employment benefits in accordance with the Code 	113	6,761	76,740	72,120	2,680	2,690	22,090	26,840	2,090	2,190	103,713	110,601
Actual expenditure met from council tax through the General Fund												
<ul style="list-style-type: none"> Employer's contributions payable to the scheme 	12,232	11,946	79,390	73,710	230	190	(12,070)	(11,370)	3,230	2,960	83,012	77,436

Pension Assets and Liabilities Recognised in the Balance Sheet

	Local Government Pension Scheme		Police Pension Scheme (1987)		Police Pension Scheme (2006)		Police Pension Scheme (2015)		Police Injury Awards Scheme		TOTAL	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Present value of defined benefit obligation	(297,295)	(270,934)	(1,396,340)	(1,397,360)	(69,160)	(47,530)	(144,580)	(187,410)	(27,750)	(29,460)	(1,935,125)	(1,932,694)
Fair value of plan assets	413,519	388,432	0	0	0	0	0	0	0	0	413,519	388,432
Sub-total	116,224	117,498	(1,396,340)	(1,397,360)	(69,160)	(47,530)	(144,580)	(187,410)	(27,750)	(29,460)	(1,521,606)	(1,544,262)
Other movements in the liability	0	0	0	0	0	0	0	0	0	0	0	0
Net liability arising from defined benefit obligation ¹	116,224	117,498	(1,396,340)	(1,397,360)	(69,160)	(47,530)	(144,580)	(187,410)	(27,050)	(29,460)	(1,520,906)	(1,544,262)

#1 IFRIC 14 applies, please refer to the section on page 55 for details

Reconciliation of the movements in the fair value of scheme (plan) assets

	Local Government Pension Scheme	
	2025/26	2024/25
	£000	£000
Opening fair value of scheme assets	388,436	375,094
Interest income	22,738	18,358
Re-measurement gain/(loss)		
▫ The return on plan assets, excluding the amount included in the net interest expense	(5,032)	(12,562)
▫ Other	0	0
The effect of changes in foreign exchange rates	0	0
Contributions from employer	12,232	11,946
Contributions from employees	3,776	3,693
Benefits paid	(8,614)	(8,093)
Assets extinguished on settlements	0	0
Other	0	0
Closing fair value of scheme assets	413,536	388,436

Reconciliation of present value of scheme liabilities

	<u>Funded liabilities</u>				<u>Unfunded liabilities</u>						TOTAL	
	Local Government Pension Scheme		Police Pension Scheme (1987)		Police Pension Scheme (2006)		Police Pension Scheme (2015)		Police Injury Awards Scheme			
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Opening balance at 1 April	(270,934)	(311,732)	(1,397,360)	(1,554,800)	(47,530)	(56,700)	(187,410)	(193,500)	(29,460)	(34,510)	(1,932,694)	(2,151,242)
Current service cost	(6,994)	(9,803)	0	0	0	0	(10,860)	(16,980)	(500)	(610)	(18,354)	(27,393)
Interest cost	(15,857)	(15,316)	(76,740)	(72,120)	(2,680)	(2,690)	(11,230)	(9,860)	(1,590)	(1,580)	(108,097)	(101,566)
Contribution from scheme participants	(3,776)	(3,693)	0	0	0	0	(14,190)	(13,560)	0	0	(17,966)	(17,253)
Re-measurement gains/(losses)												
▫ Actuarial gains/losses arising from changes in demographic assumptions	3,177	546	0	1,530	0	180	0	980	0	210	3,177	3,446
▫ Actuarial gains/losses arising from changes in financial assumptions	13,344	58,618	(1,630)	154,320	(19,180)	11,490	76,990	43,320	570	4,070	70,094	271,818
▫ Other	(24,843)	2,805	0	0	0	0	0	0	0	0	(24,843)	2,805
Past service costs	(26)	(452)	0	0	0	0	0	0	0	0	(26)	(452)
Losses/(gains) on curtailment	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities assumed on entity combinations	0	0	0	0	0	0	0	0	0	0	0	0
Benefits paid	8,614	8,093	79,390	73,710	230	190	2,120	2,190	3,230	2,960	93,584	87,143
Liabilities extinguished on settlements	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance at 31 March	(297,295)	(270,394)	(1,396,340)	(1,397,360)	(69,160)	(47,530)	(144,580)	(187,410)	(27,750)	(29,460)	(1,935,125)	(1,932,694)

Local Government Pensions Scheme assets comprised:

	Fair value of scheme assets	
	2025/26 £000	2024/25 £000
Cash and cash equivalents	3,610	3,391
Equity instruments: <i>by industry type</i>		
• Consumer	2,011	1,889
• Manufacturing	1,879	1,765
• Energy and utilities	0	0
• Financial institutions	401	377
• Health and care	854	802
• Information technology	13,795	12,957
• Other	1,500	1,408
Sub-total equity	20,439	19,197
Bonds: <i>by sector</i>		
• Corporate	0	0
• Government	0	0
• Other	0	0
Sub-total bonds	0	0
Property: <i>by type *1</i>		
• United Kingdom	30,636	28,777
• Overseas	528	495
Sub-total property	31,164	29,272
Private equity:		
• All	27,296	25,640
Sub-total private equity	27,296	25,640
Other investment funds:		
• Equities	121,432	114,065
• Bonds	155,204	145,790
• Hedge Fund	27,297	25,641
• Infrastructure	7,748	7,277
• Other	19,330	18,158
Sub-total other investment funds	331,011	310,932
Derivatives:		
• All	0	0
Total Assets	413,519	388,432

Basis for Estimating Assets and Liabilities

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

The Police Pension Scheme has been assessed by the Government Actuary's Department and the Cheshire Pension Fund liabilities has been assessed by Hymans Robertson and Co, an independent firm of actuaries, estimates for the Cheshire Pension Fund being based on the latest full valuation of the scheme at 31 March 2025.

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. 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. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims will be settled under the current compensation mechanism that is provided for under the Public Service Pensions & Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members. The main elements of the Act are:

- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the "remedy period" of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries originally estimated the potential increase in scheme liabilities for Cheshire to be approximately 4.4% or £99.6m of pension schemes liabilities. This increase was reflected in the IAS 19 disclosure as a past service cost in the 2018/19 accounts. In 2019/20, the estimated increase was a further £13.8m reflecting an additional years' benefits from the remedy and a reduction of £17.5m resulting from the eligibility criteria for members set out in HM Treasury's consultation. In 2020/21, the estimated increase is a further £15.9m reflecting an additional years' benefits from the remedy. The actuaries have highlighted that these estimates are based on the potential impact of any difference in the profile of the force's membership compared with the scheme as a whole and that the figures are highly sensitive to assumptions around short term earnings growth. From 2021/22 the current service cost allows for the higher expected cost of accrual under McCloud.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a Police and Crime Commissioner to maintain a police 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 costs in year, the amount required to meet the deficit is then paid to the Commissioner in the form of a central Government top-up grant.

Local Government Pension Scheme (LGPS)

With regard to the LGPS a similar adjustment to past service costs (£1.2m) within the IAS19 Disclosure was made for the McCloud judgment in the 2018/19 accounts. The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates.

The principal assumptions used in their calculations have been as follows:

	Local Government Pension Scheme		Police Pension Schemes	
	2025/26	2024/25	2025/26	2024/25
<u>Mortality assumptions:</u>	Yrs	Yrs	Yrs	Yrs
Longevity at 65 (police), 65 (LGPS) for current pensioners:				
Men	21.3	20.6	21.9	21.9
Women	24.3	23.6	23.9	23.9
Longevity at 65 (police), 65 (LGPS) for future pensioners:				
Men	22.3	21.5	23.3	23.3
Women	25.8	25.4	25.2	25.2
<u>Other assumptions:</u>	%	%	%	%
Rate of Inflation – RPI / CPI	3.05/2.75	3.10/2.75	2.7	2.7
Rate of increase in salaries – Long Term/Short Term	3.45	3.45	3.45	3.45
Rate of increase in pensions	2.75	2.75	2.7	2.7
Rate of CARE revaluation	-	-	3.95	3.95
Rate of commutation allowance	65	65	0	0
Rate for discounting scheme liabilities	5.8	5.8	5.65	5.65

Note: RPI figure not provided by pension administrator.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the 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 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 the previous period.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below shows the potential impact should the above assumptions change.

	Local Govt Pension Scheme		Police Pension Scheme (1987)		Police Pension Scheme (2006)		Police Pension Scheme (2015)		Police Injury Benefit Scheme	
	%	£000	%	£000	%	£000	%	£000	%	£000
0.5% decrease in Real Discount Rate	2.0	5,435	-6.5	(90,000)	-12.5	(6,000)	-12.5	(23,000)	-9.0	(3,000)
0.5% increase in salary increase	0.0	233	1.0	11,000	6.5	3,000	0.0	0	2.5	1,000
0.5% increase in pension increase	2.0	5,202	6.0	87,000	8.5	4,000	15.0	28,000	7.5	2,000
1 year increase in life expectancy	4.0	12,046	2.5	32,000	2.0	1,000	1.5	3,000	1.5	0

Impact on the Commissioner's cash flow

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Local Government Pension Scheme run by Cheshire West and Chester Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next few years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2028.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earning schemes to pay pensions and other benefits to certain public servants.

For 2025/26, the weighted average duration of the defined benefit obligation for scheme members is 14 years (Police Pension 1987); 25 years (Police Pension 2006); 27 years (Police Pension 2015).

15. Police Pension Fund and Related Notes

POLICE PENSION FUND

The Government introduced new arrangements for the funding of Police Officers' Pensions with effect from 1 April 2006. Under these arrangements income and expenditure on Police Pensions is charged to a separate fund account. The overall net cost of the fund is met by specific grant from Government.

2024/25 £000	FUND ACCOUNT	2025/26 £000
	Contributions Receivable from:	
(35,083)	Employer at 31% of pensionable pay	(39,169)
(1,886)	Early Retirements	(1,069)
(13,601)	From current employees	(14,256)
(50,570)		(51,494)
0	Transfers in from other police authorities	0
(241)	Transfers in from other pension schemes	(89)
(50,812)		(51,582)
	Benefits Payable:	
65,281	Pensions	67,920
14,405	Commutations and lump sum retirement benefits	12,915
0	Lump sum death benefits	467
	Payments to and on account of leavers	
67	Transfers out to other schemes	0
144	Refunds of contributions	146
	Other payments	
0	Pension Admin and interest charges	0
79,897		81,447
29,086	Net amount payable for the year	29,865
(29,086)	Additional Contribution from the Commissioner ¹	(29,865)
Nil	Net balance on fund in year	Nil
	NET ASSET STATEMENT	
-	Unpaid Pensions Due	-
-	Amount Owing to General Fund	-
-		-

Note ¹: the additional contribution from the Commissioner is reimbursed by specific grant from the Home Office.

15.1 Basis of Fund

The Police Pension Fund Regulations which came into force on 1 August 2007, with backdated effect from 1 April 2006, put on a statutory footing the requirement that police authorities:

- set up a pension fund;
- pay the employer contributions and officer contributions into the pension fund;
- make other specified *payments* into and from the pension fund; and
- transfer funds between the police fund and the pension fund as necessary to balance any audited deficit or surplus in the pension fund

and for the Secretary of State to:

- adjust grant funding to police authorities upwards to match the amounts transferred by them out of their police fund to balance their pension fund; and
- require police authorities to pay to the Secretary of State an amount to match the sums transferred from the pension fund to the police fund to balance their pension fund account

The financial arrangements introduced in 2007 apply to both the old & new police pension schemes – i.e. the Police Pension Scheme 1987 (PPS 1987), the New Police Pension Scheme 2006 (NPPS 2006) & the New Police Pension Scheme 2015.

15.2 Accounting policies

The Police Pension Fund's accounting policies are set out in the main Statement of Accounting Policies as set out on page 55.

The Police Pension Fund account on page 55 summarises the transactions of the Fund. It does not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in Note 15 and the Police Pension Fund account should be read in conjunction with that note.

15.3 Status of the pension fund

The regulations refer to the new account as a "pension fund" since its legal status is that of a fund for the purposes of Section 30 of the Local Government Finance Act. The pension fund accounts, which must be included in the Commissioner's statement of accounts as separate statements, comprise a fund account and net assets statement. The fund account must be ring-fenced to prevent unauthorised transfers taking place. It is through the fund account that each Commissioner discharges their responsibility for paying the pensions of retired officers and their survivors.

15.4 Administration of the Fund

The fund is administered by the Commissioner within the management and operation requirements established under the Police Pension Fund Regulations 2007 (SI 2007 No 1932).

The police pension schemes operate as unfunded schemes and that consequently the fund has no investment assets, benefits payable are funded by contributions from employers and employees, with any difference between benefits payable and contributions receivable met by top-up grant from the Home Office. The Fund is balanced to nil each year by a transfer to or from the General Fund.

Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department.

15.5 Benefits payable to and from the Fund

Under the financial arrangements the funds payable into and out of the Commissioner's pension fund account will be:

Income

- Officer contributions, including those of officers seconded elsewhere.
- Employer contributions, including those for officers seconded elsewhere.
- Incoming transfers from other pension schemes.
- Inter-Commissioner adjustments for 1966 and 1974 reorganisations.
- Re-instatement of pensions – mis-selling charges.
- Capital-equivalent charge payments for ill-health early retirements.
- Reimbursements of pension payments which could have been withheld under regulation K4 of the Police Pension Regulations 1987 and regulation 52 of the Police Pension Regulations 2006.
- Payments by an officer under regulation 84(3) of the Police Pension Regulations 2006.
- Other authorised income – to be specified by the Commissioner in the accounts.
- Top-up from the police fund (operating account) to meet any deficit.

Expenditure

- Pension payments to retired police officers and other beneficiaries.
- Inter-Commissioner adjustments for 1966 and 1974 reorganisations.
- Refund of pension contributions.
- Outgoing transfers to other pension schemes.
- Payments by the Commissioner to HMRC on behalf of an officer under regulation 84 or regulation 85 of the Police Pension Regulations 2006.
- Other authorised expenditure – to be specified by the Commissioner in the accounts.
- Payments to the police fund (operating account) to clear a surplus at the end of the accounting year.

Injury awards, including awards payable on death attributable to a qualifying injury, are not part of either Police Pension Scheme 1987 or New Police Pension Scheme 2006 and are payable irrespective of whether an officer is a member of the pension scheme. Tax rules from April 2006 prevent injury awards from being part of the regulations for either scheme. In order to comply with this requirement injury awards have, with effect from April 2006, been set out in the Police (Injury Benefit) Regulations 2006 which are entirely separate from the Police Pension Regulations 1987 and the Police Pension Regulations 2006. Injury awards are not pension scheme payments and therefore are not chargeable to the fund.

16. External Audit Fees

Bishop Fleming LLP, the external auditors received the following fees.

	2025/26	2024/25
	£000	£000
Chief Constable	56	54
Additional Fees for 2023/24	0	5
	56	59

17. Authorisation of Accounts

Under the Accounts and Audit (England) Regulations 2015 the pre-audited Statement of Accounts was signed by the Chief Finance Officer (Constabulary) as the responsible financial officer of the Chief Constable on 30th June 2026 for release to audit.

ANNUAL GOVERNANCE STATEMENT 2025/26

Scope of Responsibilities

- 1.1 Governance is about how the Police & Crime Commissioner and the Chief Constable ensure they are doing the right things in the right way for the right people in a timely, inclusive, open and accountable manner that is built on a foundation of integrity. It comprises the systems, processes, culture and values by which the Commissioner and the Chief Constable direct and manage together, along with the activity through which they account to and engage with the people of Cheshire.
- 1.2 The Commissioner's role is set out in the Police Reform and Social Responsibility Act 2011. The Commissioner is responsible for securing the maintenance of the police force for their area and securing that the police force is efficient and effective. The Commissioner holds the Chief Constable to account for the exercise of their functions and the functions of those under the Chief Constable's direction and control. The Commissioner is accountable to the people of Cheshire who elected him to represent their views on policing.
- 1.3 The Chief Constable is accountable under law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing in Cheshire. While the Chief Constable discharges their responsibilities in support of the Commissioner's Police & Crime Plan, they remain at all times operationally independent.
- 1.4 Production of an Annual Governance Statement (AGS) is a requirement under the Accounts and Audit Regulations (England) 2015 and ensures that a reliable system of internal controls can be demonstrated. The AGS meets the requirements of Regulation 6 (1) (b) of the Accounts and Audit (England and Wales) Regulations 2015, which requires all relevant bodies to prepare an AGS. The AGS also demonstrates the Police and Crime Commissioner and Chief Constables' commitment to the principles of good governance as identified in the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance in Local Government Framework 2016 (CIPFA/IFAC) and subsequent updates where applicable to policing bodies.
- 1.5 In March 2022, CIPFA published an advisory note setting out key messages surrounding recent governance failures identified in statutory and non-statutory reviews and public interest reports. While Cheshire has not been part of these reviews or reports, there are lessons to be learned for all organisations that take governance seriously. One key message relates to the AGS - this is a key document for any organisation, and when completed correctly and with rigour, it can be used to identify failings of governance and provide an opportunity internally to improve and thereby reduce risk. It should normally be approved at the same time or no later than the statement of accounts and should be regarded as a vital tool by those charged with governance and the leadership team.
- 1.6 The AGS is a key corporate document for Cheshire, providing an accurate representation of the governance arrangements and controls in place to support delivery of organisational objectives during the year. The AGS provides information about where arrangements have been effective and notes where any improvements are required.
- 1.7 The governance framework detailed below has been in place for the year ended 31 March 2026 and up to the date of approval of the Statement of Accounts.

2. The Governance Framework

- 2.1 The Commissioner is responsible for ensuring that business is conducted in accordance with the law, with openness and engagement with stakeholders and that risk is managed through robust internal control and strong public finance management to deliver effective accountability. The Commissioner has adopted a Scheme of Corporate Governance, which sets out the governance framework that will assist in enabling the Commissioner and Chief Constable to fulfil their statutory functions. The Scheme is reviewed on an annual basis to ensure it remains up to date and relevant, taking into account local and national changes in the way the police service operates.
- 2.2 Within the Scheme of Corporate Governance, there are a number of documents as indicated below that can be viewed in full on the Commissioner's website ([Governance Documents](#)). These documents are reviewed annually and amended as appropriate.
- Code of Corporate Governance – this describes how the Commissioner will discharge their responsibilities to secure an efficient and effective local police service and hold the Chief Constable to account for the exercise of their functions and those of persons under their direction and control.
 - Procedural Rules – these rules relate to the business & proceedings of the Commissioner and Chief Constable including how decisions are taken.
 - Scheme of Consent & Delegation - this sets out which functions are reserved to the Commissioner, which are delegated to the Chief Constable and how the Commissioner will delegate functions to his own staff.
 - Financial Regulations - under Section 151 of the Local Government Act 1972 'every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'. Under the Police Reform and Social Responsibility Act 2011, both Police and Crime Commissioners and Chief Constables are required to comply with Section 151 requirements. The Financial Regulations set out how this duty is discharged.
 - Constabulary's Scheme of Delegation – covers the financial and non-operational decision-making powers the Chief Constable has delegated to their officers and staff
 - Memorandum of Understanding – this sets out how the Commissioner obtains additional services to supplement his core office of staff (OPCC) which the Chief Constable will provide in pursuant to their obligations of assistance and in furtherance of the Commissioner's and Chief Constable's joint vision of working together in partnership, without compromising the Commissioner's powers and duty to hold the Chief Constable to account.
- 2.3 The above framework sets out the relationship between the Commissioner and Chief Constable in both decision-making and accountability. Within the Constabulary, there is an independent governance framework, which covers both operational and business decision making with the Senior Command Team (SCT) Business Meeting, being the primary internal decision-making body for the Constabulary. Joint strategic decisions are taken through the Joint Management Board.

- 2.4 In line with Home Office guidelines, the Commissioner and Chief Constable have established an independent Joint Audit Advisory Committee (JAAC). This committee consider internal and external audit reports and advise and provide assurance to the Commissioner and Chief Constable according to good governance and accountability principles and proper practices. The terms of reference for the Committee were revised during 2022/23 in line with the CIPFA Position Statement 2022 relating to police audit committees and are subject to annual review.
- 2.5 During 2025/26 inflationary pressures have continued to affect pay and prices of some goods and services and therefore considerable scrutiny has been applied to the Constabulary to ensure it is both efficient and effective. Savings have been identified through a rigorous review of all areas to contribute to the overall budget and mitigate the impact as far as possible.

3. Internal Financial Controls

- 3.1 The objective of the internal financial controls is to maintain sound and proper financial arrangements; to explain why safeguards and controls are important and necessary; to profile a framework for financial management, which will enable, wherever possible, managerial and financial responsibilities to be aligned and safeguard all officers and staff.
- 3.2 The key documents that set out the internal financial controls are:
- Financial Regulations – as set out above
 - Scheme of Delegation – as set out above
 - Treasury Management Strategy – approved annually by the Commissioner. This sets out the Annual Investment Strategy, Borrowing Strategy and Minimum Revenue Provision Statement
 - Treasury Management Practices – which set out the detailed processes and practices to be followed in order to deliver the Treasury Management Strategy
 - Reserves Strategy – which details the reserves held, their intended usage and the strategy for ensuring the funds are maintained at an appropriate level.
- 3.3 In addition to the above, there are a series of governance checks and controls carried out through the Finance and HR teams to ensure financial systems are operating effectively.
- 3.4 These are supported by periodic Internal and External Audit reviews to provide appropriate assurance to those charged with governance or produce actions plans where necessary. The Director of Internal Audit's Opinion and their annual report for 2025/26 provide substantial assurance that there is a good system of internal controls designed to meet the organisation's objectives and that controls are generally being consistently applied. The Director of Internal Audit carries out their role in accordance with guidance issued in the CIPFA Statement on the Role of the Head of Internal Audit (2019).

3.5 CIPFA published 'The Financial Management Code' (FM Code) in 2019. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code, for the first time, sets the standards of financial management for local authorities including police. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances of a local authority;
- manage financial resilience to meet unforeseen demands on services; and - manage unexpected shocks in their financial circumstances.

3.6 Each organisation designated to apply the CIPFA Financial Management (FM) Code must demonstrate that the requirements of the Code are being satisfied. Demonstrating compliance with the FM Code is a collective responsibility of the Police and Crime Commissioner, the Chief Constable, their respective Chief Finance Officers (statutory s.151 officers), and their professional colleagues within the leadership team.

Both Chief Finance Officers are professionally qualified, operate in accordance with relevant professional standards, and are members of their respective leadership teams, ensuring that strategic decisions are informed by sound financial advice.

Senior finance and leadership representatives play a key role in governance arrangements, with attendance at all key decision-making boards (e.g. Joint Management Board, SCT Business and the Resources Board), ensuring appropriate financial oversight, challenge and assurance.

3.7 The documents within the governance framework within which the Constabulary and OPCC operate are updated regularly to ensure that controls and procedures satisfy the requirements of the code and demonstrate good governance. The framework was reviewed and updated by the Constabulary and OPCC statutory officers during 2025/26 and the revised documents were signed off at Joint Management Board on 28th January 2026. Controls are reviewed by external audit as part of their work on the Statement of Accounts and by Internal Audit in line with their annual audit plan.

3.8 A whistle blowing policy is in place which is managed and investigated by the Professional Standards Department (PSD), this policy is updated regularly (last review March 2026). The force has a corruption and control strategy which is formulated by a local and regional corruption threat assessment. These documents are available on the force intranet and all cases of non-compliance would be dealt with on an individual basis following assessment by PSD, these are reported to those charged with governance via regular meetings. PSD also approve and record business interests and ensure compliance with the [Gifts Gratuities and Hospitality](#) policy which is available on the Constabulary website.

3.9 The OPCC has an ethical framework and code of conduct for the Commissioner and for staff in place as well as a confidential reporting (whistleblowing) policy. These are reviewed regularly and are available on the [PCC website](#). Any non-compliance would be reported to the PCC via senior management meetings. The OPCC also has a register of [Interests, Gifts and Hospitality](#).

3.10 Further assurance is provided by HM Inspectorate of Constabularies, Fire and Rescue Services (HMICFRS) who carry out a police effectiveness, efficiency and legitimacy (PEEL) assessment of the effectiveness with which Cheshire Constabulary keep people safe and reduce crime. The most recent PEEL inspection (2023–2025 programme) was published during 2024/25 [PEEL 2023–2025: An inspection of Cheshire Constabulary - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services](#) . The next PEEL review is due to be undertaken during 2026/27 and will be reported in a [future AGS](#).

4. Good Governance in the Police

4.1 In 2016, CIPFA, in association with various groups including the Association of Police and Crime Commissioners, issued best practice guidance on Delivering Good Governance. It sets out seven principles of good governance which are illustrated overleaf:



4.2 The ethos of the above is for principles A and B to permeate the implementation of principles C to G. It also illustrates that good governance is dynamic and that an organisation as a whole should be committed to continually improving through a process of evaluation and review. Each principle will be considered from the perspective of both the Commissioner and Chief Constable.

5. Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

5.1 Commissioners and Chief Constables have responsibility for creating an environment where the Code of Ethics can thrive by setting standards, policies and principles that can help in embedding the Code. The Code of Ethics was revised by the College of Policing in 2024 and this revised Code is inclusive and supports everyone in Policing. It has two parts, both of which are non-statutory:

- Ethical policing principles; and
- Guidance for ethical and professional behaviour in policing.

The name 'Code of Ethics' was kept as it is familiar in policing. However, the 2024 Code Ethics is not a statutory Code of Practice, it has the same status as other guidance produced by the College.

5.2 The ethical policing principles are a series of guiding statements that should be used to help people in policing do the right things, in the right way, for the right reasons. Everyone in policing routinely makes important decisions because it is our duty to uphold the law, prevent crime and disorder, protect, and reassure communities, investigate crime, and bring offenders to justice. As policing professionals, we commit to:

- Courage – making, communicating and being accountable for decisions, and standing against anything that could bring our profession into disrepute.
- Respect and empathy – encouraging, listening to, and understanding the views of others, and seeking to recognise and respond to the physical, mental and emotional challenges that we and other people may face.
- Public service – working in the public interest, fostering public trust and confidence, and taking pride in providing an excellent service to the public.

5.3 Cheshire Constabulary has fully adopted the Code of Ethics from its inception in 2014 and this has been embedded into everyday decision-making.

5.4 The Professional Standards Department is responsible for the receipt, recording and, where relevant, investigation of public complaints against the conduct of officers and/or members of police staff as well as investigating allegations of misconduct within the Cheshire Constabulary. The behaviour and integrity of police officers and members of police staff are at the very core of the Constabulary's values and service ethos and the department engages widely within the Constabulary to promote and uphold these exacting standards with mandatory training for staff and officers as and when required. The Department is responsible for the Constabulary's anti-fraud and corruption arrangements together with their whistle blowing procedures. In addition, the Department records all gifts and hospitality and business interests to ensure the integrity and transparency against any conflicts of interests.

- 5.5 The Policing and Crime Act 2017 and supporting regulations made significant changes to the complaints and disciplinary systems that took effect from 01 February 2020. They introduced a number of changes designed to achieve a more customer-focused complaints system. Local accountability was enhanced through changes to the role of local policing bodies (Police & Crime Commissioners) which now have a statutory responsibility to hold their Chief Constable to account for the performance of the complaints system locally and for ensuring there are appropriate processes in place for dealing with conduct and death or serious injury (DSI) matters.
- 5.6 In addition, all local policing bodies now have certain duties in relation to the handling of complaints, some of which are mandatory and now a statutory responsibility. For example, from 01 February 2020, the Police & Crime Commissioner became a relevant review body (RRB) for complaints (recorded on or after 01 February 2020) and assumed responsibility for determining whether the outcome of a complaint was reasonable and proportionate. This change aimed to increase independence and transparency, particularly at a local level.
- 5.7 It should be noted that depending on the circumstances of the initial complaint, the Independent Office for Police Conduct (IOPC) may be the relevant review body. The determination in relation to the relevant review body will be made by the Professional Standards Department.
- 5.8 The Appropriate Authority for a complaint that relates to the Chief Constable is the local policing body with responsibility for that police force area. As such, the Police & Crime Commissioner is responsible for handling complaints against the Chief Constable of Cheshire Constabulary. Again, in certain circumstances, the IOPC may be the relevant review body.
- 5.9 Both the Commissioner and Chief Constable have Monitoring Officers whose role is to advise on the rule of law and ensure decision-making is legally sound and compliant with the Governance Framework. Any breaches are reported to the Commissioner and Chief Constable – no breaches were reported during 2025/26.

6. **Principle B: Ensuring openness and comprehensive stakeholder engagement**

- 6.1 Public views on policing, their priorities and their experiences both in terms of crime and interaction with the Constabulary has and continues to have, a direct impact on the Commissioner's Police and Crime Plan and priorities.
- 6.2 As part of listening to local people about policing and community safety, the Commissioner is holding Citizens Assemblies in each of the Cheshire local policing areas. These Assemblies are the first of their kind in the country and consist of a group of people who live in the local policing area being brought together to give their views on local crime and policing matters. The first Assembly was piloted in Crewe in the autumn of 2024 and informed the Commissioner's Police and Crime Plan. To date there have been five Citizens assemblies with a further 4 planned for 2026/27 to 2027/28 and these help to shape the Commissioner's priorities and give Cheshire communities a voice in better informing how we police in Cheshire.
- 6.3 As part of the budget and precept setting process, the Commissioner undertakes public consultation on his proposed council tax precept increase on an annual basis. The budget and precept proposals are also subject to scrutiny by the independent Police and Crime Panel on behalf of the public. Councillor members of the panel represent all local authorities across Cheshire.

- 6.4 In January 2026, the consultation on the Commissioner's precept proposal received over 6,000 responses, the most recorded for a precept consultation in Cheshire to date. Over 70% of respondents supported an increase in the precept of £15 or more.
- 6.5 The Constabulary runs a 'residents voice' campaign to gather views of the public on local policing and priorities. This is an innovative online survey tool, which allows the public to complete a short online survey giving their views on crime, anti-social behaviour and policing within their local community. Officers and PCSOs provide members of the public with a 'QR code' which is scannable on a mobile device and takes the resident straight to the survey. The data obtained is then made available to local beat officers through a Power Bi dashboard where it can be filtered, analysed, and understood on a community basis. This powerful tool allows officers to canvass and respond to needs particular to a specific area. During 2025/26 there were 17,567 responses provided from across the Force area which were used to inform local operational priorities.
- 6.6 The Constabulary also undertakes telephone surveys of a number of victims to gather feedback and inform service improvement. In 2025/26 94 surveys were conducted of this nature.
- 6.7 As part of the virtual meeting arrangements originally brought in as a response to the pandemic, the ability of the public to have online access to public meetings has continued and has become standard practice on request. All public meetings are publicised together with the agendas, on the PCC's website.
7. **Principle C: Defining outcomes in terms of sustainable economic, social & environmental benefits**
- 7.1 The Commissioner's Police and Crime Plan sets out how economic, social and environmental factors will be considered in decision making around delivering these priorities, and how the success in achieving these priorities will be monitored and reviewed, including holding the Chief Constable to account.
- 7.2 A Medium-Term Financial Strategy (MTFS) is produced annually, reviewed regularly and updated as necessary. It sets out the financial assumptions and demands upon the Constabulary to highlight budgetary pressures and the options available to address any funding shortfalls to ensure sustainability. Scenario planning is completed to highlight financial risks to key budget assumptions and ensure the authority understands the impact on its future financial stability of any strategic, operational and financial challenges it might face. Financial risks such as inflationary pressures or changes to Police Uplift Programme funding are also considered in the MTFS and in the organisation's strategic risk register.
- 7.3 Alongside this overarching document are the more detailed Capital Strategy and Reserves Strategy. All of these financial strategies are directly linked to the Estates, Fleet and IT strategies which are reviewed and signed off at Joint Management Board (JMB) meetings. All strategies are published on the PCC's website.
- 7.4 Clear reference is made to achieving value for money (VFM) in the annual budget and relevant strategic documents and the Constabulary and PCC have a clear and consistent understanding of VFM and how this is measured and monitored. Annual reports on VFM which consider the HMICFRS VFM indicators are reviewed by the JAAC and senior leadership.

- 7.5 Prudential indicators are set in line with the CIPFA Prudential Code, and these are included in the Annual Treasury Management Strategy. They are monitored by the s151 officers and reported to JMB in the Treasury Management Update report which is available on the Commissioner's website.
- 7.6 An Asset Management Strategy and Plan are in place and are reviewed and updated regularly. The plan aims to ensure that the authority's property, plant and equipment contribute effectively to service delivery and the achievement of key objectives.
- 7.7 The Procurement Strategy sets out the organisation's position with regards to social value and ethical procurement. The strategy outlines the ethical responsibilities and core objectives of the Commissioner and the Chief Constable in relation to their supply chain and in regard to human rights (including modern slavery), social value, equality and diversity, environment and sustainability and fraud, corruption and bribery.
- 7.8 The Commissioner's Modern Slavery Transparency Statement is published on his website [modern-slavery-transparency-statement-2025](#) (September 2025). This sets out the steps we have taken and are planning to take to address the risk of modern slavery and human trafficking occurring within our own organisation and those of our partners and supply chains.
- 8. Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**
- 8.1 The Scheme of Corporate Governance sets out a decision-making framework which ensures that all decisions taken by the Commissioner and Chief Constable are supported by all relevant information, including financial, legal and other appropriate professional advice, that available options are considered and that internal and external stakeholders are consulted. All decisions are formally recorded and published subject to confidentiality requirements, including the provisions of the Freedom of Information Act 2000.
- 8.2 The Commissioner has a statutory duty and electoral mandate to hold the Chief Constable to account on behalf of the public of Cheshire. The Commissioner does this by scrutinising, supporting and challenging the performance of the Constabulary, including against the priorities in the Police and Crime Plan. The Commissioner undertakes this role at Scrutiny Board. These meetings consider performance against the priorities identified in the Police and Crime Plan as well as a wide range of performance information relating to all aspects of policing. Performance data can be found on the Commissioner's website [Scrutiny \(cheshire-pcc.gov.uk\)](#).
- 8.3 HMICFRS produce Value for Money profiles, which are available via their website. These profiles benchmark Cheshire's costs and resources both operationally and for support services against our most similar forces and policing as a whole. These profiles are reviewed and used to support resource allocation debates and as part of the budget setting process.
- 8.4 Key risks to financial sustainability are highlighted in the annual budget and MTFS. These are also reported in the strategic risk register which is reviewed regularly at SCT Business and JMB. The latest

strategic risk register is also considered at each JAAC meeting. Throughout the year, revenue and capital monitoring reports are prepared and reviewed at SCT Business and JMB. These reports highlight potential issues and suggest appropriate remedial actions.

9. Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- 9.1 Cheshire Constabulary is a high performing organisation offering a range of career opportunities. It provides a broad range of police and police staff roles with career pathways to develop. It is structured and provides progression and fast track opportunities. Support and advice are provided to assist everyone in their career journey. Overall, it is recognised that as professionals it is our responsibility to be as good as we can be and in doing so ensure we invest time to learn and develop to meet the changing needs of the communities we serve.
- 9.2 Cheshire Constabulary has a key priority for organisational learning. As an organisation, the vision is:
- To be a learning organisation through the creation, retention, sharing and using of knowledge.
 - This Organisational Learning area is the Constabulary's hub where practitioners learn through the creation, retention, sharing and using of knowledge.
 - The Organisational Learning area is the gateway to the Constabulary's What Works programme, where practitioners can learn about evidence-based practice, its practical application and view examples of effective problem solving.
- 9.3 The Constabulary has successfully delivered the national Police Officer Uplift Programme (PUP), achieving its target of an additional 330 officers ahead of 2025/26. Whilst the PUP programme formally continues until 2026/27, the required uplift had already been achieved, and the focus has therefore shifted to maintaining officer numbers and managing attrition.

Recruitment and workforce planning in 2025/26 are aligned to sustaining establishment levels and meeting both local demand and emerging national priorities.

2025/26 represents the first year of the Neighbourhood Policing Guarantee (NPG), with an increase of 24 officers during the year, taking total officer numbers from 2,377 to 2,401. This reflects a renewed focus on strengthening neighbourhood policing and ensuring a visible and accessible policing presence within communities, with this priority continuing into 2026/27 and beyond. The Constabulary continues to invest in the skills of its workforce, including detective training, to ensure resilience, capability, and future capacity in key areas of demand.

Officer numbers and workforce composition remain subject to regular scrutiny, with returns submitted quarterly to the Home Office. Preparations are also underway for the removal of PUP-related reporting from 2026/27, with a transition to locally driven workforce planning and a stronger emphasis on neighbourhood policing outcomes.

- 10. Principle F: Managing risks & performance through robust internal control and strong public financial management**
- 10.1 The role of the Commissioner and the Chief Constable at the Joint Management Board is to scrutinise and approve the risk register on a quarterly basis as part of the approved Risk Management Framework. The role of Joint Audit Advisory Committee is to review and advise the Commissioner and the Chief Constable on the adequacy of action plans and actions taken to mitigate each risk on a quarterly basis. Risks provide a forward look at upcoming issues such as the Formula Funding Review as well as reflecting the current situation and are regularly reviewed and updated. All areas of operational, governance and financial risk are reflected in the register and there are sections for Constabulary risks, OPCC risks and joint risks.
- 10.2 During 2025/26, the JAAC provided independent assurance to those charged with governance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes within the Constabulary and OPCC.
- 10.3 The review and subsequent update/amendment to the risk register ensures that there is a joined-up approach between the Commissioner and the Chief Constable and that the key risks are evaluated, managed, mitigated, scrutinised and reported top down and bottom up through both Leadership Teams.
- 10.4 The Constabulary has a comprehensive performance management framework in place known as 'Raising the Bar'. This outlines the performance management approach including key meetings and structures and indicators which ensure delivery of the objectives set out in the Police and Crime Plan and other key local and national priorities.
- 10.5 Performance is monitored through regular 1-2-1 meetings, Area Performance Meetings, Quarterly Performance Meetings and a monthly Force Performance Day as well as through regular Scrutiny Meetings with the PCC. Actions from meetings are recorded and progress against them is monitored.
- 10.6 Performance is scrutinised by the Commissioner at regular scrutiny meetings and actions are identified at these meetings, which are kept under review and progress reported to the Commissioner.
- 10.7 Cashflow, short and long-term borrowing, investments and the use of reserves and balances are monitored by both s.151 officers and are reported to the Commissioner and Chief Constable in Treasury Management updates at Joint Management Board.
- 10.8 Processes are in place to ensure Officers and staff are aware of the threat of cyber-crime and can recognise potential cyber security threats and take appropriate action. Plans are in place to ensure this information is kept continuously up-to-date and is disseminated across the organisation.
- 10.9 Where processes or system arrangements show areas requiring improvement, action is taken to ensure internal control and financial management is complied with.
- 10.10 The Annual Risk Management Report provides a comprehensive overview of the organisation's risk management arrangements over the past year, offering assurance that risks are being effectively

identified, assessed, and mitigated. Reviewed through SCT Business and Joint Management Board (JMB), the report supports transparency and accountability at the highest levels of governance. It includes a summary of strategic and operational risks, outlines the governance structure, and incorporates findings from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). Additionally, it covers business continuity planning and insurance arrangements, ensuring the organisation remains resilient and responsive to emerging challenges. The report also highlights areas for improvement, contributing to a culture of continuous learning and proactive risk management.

11. Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

- 11.1 All key joint decisions are taken through the Joint Management Board, supported by internal decision-making within the Constabulary's SCT Business Meeting. The Joint Management Board is where decisions are made, and Scrutiny Board is where the Commissioner holds the Chief Constable to account. Both meetings publish papers in advance of their meetings and the meetings themselves are open to the public. All key PCC decisions of significant public interest are published on the Commissioner's website.
- 11.2 The Police and Crime Panel (PCP), which is a statutory body, independent of the Office of the Police and Crime Commissioner, oversees the work of the Commissioner. Its role includes reviewing the Commissioner's proposals for the amount of council tax local people pay towards policing. It has the power to veto these proposals if it considers the amount is inappropriate; considering the Police and Crime Plan and Annual Report; considering the appointments of the Commissioner's Deputy Police and Crime Commissioner, Chief Executive and Chief Finance Officer; considering the Commissioner's proposals for the appointment of a new Chief Constable, with the power to veto; and handling complaints about the Commissioner. Cheshire East Council hosted the PCP for 2025/26 and details of these meetings can be found on their website. [Cheshire Police and Crime Panel](#)
- 11.3 Both the Commissioner and Chief Constable have Publication Schemes on their respective websites listing information available and a means of contact should the information required not be included.
- 11.4 The Constabulary's Information Management team co-ordinate all information held to ensure compliance with all the appropriate requirements including Freedom of Information requests and Data Protection. The OPCC liaises closely with the Information Management team in relation to Freedom of Information requests and Data Protection issues, however, within the OPCC these are managed by the OPCC Head of Scrutiny, Planning and Compliance to ensure that organisational independence is maintained.
- 11.5 Assurance on the effectiveness of governance and controls is also provided by the Joint Audit Advisory Committee. The organisation's governance and controls are subject to review from bodies such as HMICFRS, External Audit and Internal Audit and reviews of the framework are undertaken by Joint Management Board. The governance framework and internal and external audit opinions are published on the Commissioner's website.

12. Review of Effectiveness

- 12.1 As part of the on-going governance roles, each of the above principles is reviewed and evidence sourced to show effectiveness in terms of communications, actions, policies and procedures. This evidence is scrutinised and is subject to challenge by the Commissioner's S.151 Officer and Chief Executive, the Constabulary S.151 Officer and Monitoring Officer.
- 12.2 The Constabulary report quarterly on their performance against key national priorities and advise on areas of focus for the forthcoming quarter.
- 12.3 External assurance in terms of accountability is provided by both Internal and External Audit, HMICFRS reviews and partner forces reviews of collaborations. Assurance is also provided by volunteers including Independent Custody Visitors (ICVs) who make unannounced visits to police stations to check on the rights, wellbeing and treatment of detainees and the Independent Ethics Panel which considers ethical issues in policing. The Independent Advisory and Accountability Meeting (IAAM) look at policies and procedures and the tier in the procedural justice model above the Community Cohesion Groups (CCGs) and below and feeds into the Procedural Justice Meeting. The CCG's are responsible for scrutiny of public treatment around Stop & Search and Use of Force.
- 12.4 Assurance was provided on 2024/25 statement of accounts and Value for Money (VFM) by External Audit and their annual audit findings report and audit letter are available on the Commissioner's website [Audit \(cheshire-pcc.gov.uk\)](https://www.cheshire-pcc.gov.uk/audit).
- 12.5 The overall Internal Audit opinion for the period 1st April 2025 to 31st March 2026 is shown below and provides substantial assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

As highlighted above, the overall opinion for the period 1st April 2025 to 31st March 2026 provides **Substantial Assurance**, that that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Context: This opinion is provided in the context that the Police and Crime Commissioner and Chief Constable like other organisations across the public sector is continuing to face a number of challenging issues with regards to the wider political and local arrangements and the corresponding uncertainty this causes. There are ongoing financial and workforce challenges coupled with continued growth in the complexity of investigations and digital and cyber related crimes.

Our opinion has remained at a Substantial Assurance for 2025-26.

The last PEEL report by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) dated February 2025 graded Cheshire Constabulary's performance across eight areas of policing. It found the constabulary was 'outstanding' in two areas, 'good' in four areas and 'adequate' in two areas.

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

Reported Public Scrutiny performance figures at 31st March 2026 confirm that the Constabulary has delivered the Neighbourhood Policing Guarantee for 2025/26. Neighbourhood officer establishment has increased by a net of 51.37 FTE. This is 3.68 above the 2025/26 target of 47.69.

Performance across the constabulary has been strong in year. For the 12 months ending December 2025 Cheshire had a crime rate per 1,000 population of 69.0 – the 12th lowest nationally and 4th lowest compared to its 7 most similar forces.

During the year the OPCC have supported 122 projects investing £400,000 in projects that support local communities and prevent crime. The OPCC was also the first in the country to introduce citizens assemblies to support the development of policing within cheshire and the Police and Crime Plan.

The Constabulary and OPCC have a positive and proactive relationship with internal audit and responsiveness to recommendations has continued to be excellent.

Compliance with professional standards: In providing this opinion we can confirm continued compliance with the definition of internal audit (as set out in your Internal Audit Charter), code of ethics and professional standards. We also confirm organisational independence of the audit activity and that this has been free from interference in respect of scoping, delivery and reporting.

Purpose: The purpose of our Head of Internal Audit (HoIA) Opinion is to contribute to the assurances available to the Police and Crime Commissioner and Chief Constable which underpin the Police and Crime Commissioner and Chief Constable's own assessment of the effectiveness of the system of internal control. As such, it is one component that the Police and Crime Commissioner and Chief Constable takes into account in making its Annual Governance Statement (AGS).

- 12.6 All audit reports are presented to the Joint Audit Advisory Committee and published on the websites. Public notices in relation to the accounts are also published on the websites in line with statutory requirements. Outstanding actions from relevant reviews are reported to each JAAC meeting in the Service Assurance Plan and follow up reports from internal and external audit also go to JAAC meetings.
- 12.7 Procurement savings are tracked internally through the Strategic Procurement Group and are reported to Blue Light Commercial on a quarterly basis. Cashable savings are reviewed during the annual Priority Based Budget (PBB) process and removed from the annual revenue budget.

13. **Areas for Action in 2025/26**

- 13.1 Within the 2024/25 Annual Governance Statement, the review of effectiveness identified two areas where further action was required. The following re-visits the actions which have satisfactorily addressed the issues raised and reports on the outcomes in 2025/26.
- 13.2 **Action 1: The Medium-Term Financial Strategy (MTFS)** – The MTFS continues to present significant financial challenges and uncertainty, with required budget savings that may impact service delivery. To mitigate these risks, the MTFS is regularly reviewed and updated, with key updates circulated through SCT Business and Joint Management Board (JMB) to ensure awareness. The Constabulary undertakes an annual, detailed review of all budgets using a priority-based budgeting approach, alongside service reviews and the change process, to identify savings while maintaining operational viability. Additionally, the Police and Crime Commissioner retains the ability to raise the policing precept within government-imposed limits to help address budget shortfalls. Given the current financial position, known pressures, and potential funding risks, the priority-based budgeting process will be especially critical and challenging in 2025/26. These processes will be initiated early in the financial year, with a single point of contact (SPOC) from the Joint Audit and Assurance Committee (JAAC) assigned to support and report progress. The overarching risk remains a reduction in operational and organisational capacity and capability to respond to current and emerging threats, thereby impacting the achievement of all strategic objectives. (Owner: OPCC and Constabulary s151 Officers)

Update: - *The approved MTFS 2026–2031 recognises a challenging and uncertain financial environment, with inflationary pressures, limited government funding beyond 2026/27 and increased national expectations. The Strategy is reviewed bi-annually, with updates reported through SCT Business and Joint Management Board to support effective oversight.*

Priority-based budgeting, supported by service and thematic budget reviews, vacancy controls and value-for-money benchmarking, is being used to identify efficiencies while maintaining operational viability. The authorised 2026/27 precept increase has been built into financial plans; however, funding assumptions beyond this remain cautious and further savings are increasingly difficult to achieve without service impact.

Enhanced governance arrangements are in place, including early initiation of the budgeting process and oversight from the JAAC. The principal risk remains a reduction in organisational capacity affecting delivery of strategic objectives.

13.3 **Action 2: Cyber-Attacks:** Cyber-Attacks on police forces, public sector bodies, and their suppliers are becoming more frequent, with threats often coming from hostile states and organised crime. Cheshire has strong cyber security measures in place and consistently meets external audit standards. Still, the risk is ongoing and evolving, as shown by recent incidents affecting our supply chain. We regularly update our cyber controls and take part in nationally coordinated responses through Gold command structures when needed. All departments are expected to plan on the basis that a cyber incident could happen at any time, with robust business continuity plans in place to manage any long-term system outages. Key actions this year include expanding offline backup capacity, continuing mandatory cyber awareness training for all staff, and testing business continuity plans annually—especially for scenarios involving loss of critical systems. A serious cyber-attack could severely impact our ability to respond to calls for service, posing a direct risk to public safety. (Owner: Senior Information Risk Owner)

Update: *The risk from cyber-attacks has increased over the past year due to a number of factors. Although Ransomware attacks remain prevalent, AI is being used as an easy way to target organisations with an increased frequency and sophistication, particularly through phishing campaigns. The conflict in the Middle East has also seen the UK targeted by affiliate groups. This risk is unlikely to diminish anytime soon and we continue to work with national bodies, regularly review our security tooling and maintain awareness amongst staff.*

14. **Areas for Action in 2026/27**

14.1 The governance framework, internal controls and application of the principles have been reviewed during 2025/26 with the following areas highlighted as risks together with the mitigating actions required.

14.2 **Action 1: Police Reform :** National policing reform, including the January 2026 Police Reform White Paper published by the Home Office, and proposals affecting governance arrangements and funding, introduces significant uncertainty and potential longer-term impact on the Constabulary and OPCC. While immediate operational impact is assessed as limited, the scale and scope of proposed reforms may affect organisational structures, accountability arrangements, financial planning and service delivery over the medium term.

The Constabulary and OPCC continue to monitor national policy developments closely and actively engage with national bodies and review processes to ensure local implications are understood and reflected in planning assumptions. This risk is embedded within the Medium-Term Financial Strategy, Force Management Statement and priority-based budgeting process to support proactive management as further detail emerges. The principal risk remains that insufficient clarity or pace of reform could adversely impact strategic decision-making and organisational stability.

(Owner: OPCC Chief Executive Officer and Chief Constable)

14.3 **Action 2: Data Quality in Shared NICHE Platform :** The continued use of the shared NICHE platform presents an ongoing risk around data quality, consistency and accuracy. As highlighted in the Strategic Risk Register, weaknesses in data quality can lead to operational decision-making errors, reduced safeguarding effectiveness, regulatory non-compliance and potential reputational or legal consequences.

In response, a structured improvement programme is in place and governed through Digital Change. This includes clearly prioritised workstreams, a dedicated project board and escalation through the Strategic Risk Register to ensure appropriate oversight at a strategic level. Activity is focused on addressing the highest-risk issues first, with progress monitored against operational impact and risk, alongside ongoing audit and review.

Over the coming period, we will continue to strengthen governance and delivery by:

- Maintaining clear prioritisation of data quality improvements based on risk and safeguarding impact
- Driving delivery through the established programme structure and RAID management
- Improving data quality monitoring, assurance and accountability across operational teams
- Integrating improvements into business-as-usual processes to support sustained data integrity

Despite these actions, the complexity and volume of legacy data mean this remains an ongoing risk. Continued focus, investment and oversight will therefore be required to ensure improvements are maintained, risks are reduced over time, and service outcomes and public confidence are protected. **(Owner: Senior Information Risk Owner – ACC Innovations)**

15. Summary

- 15.1 We are satisfied that the governance framework and arrangements in place during 2025/26 and up to the date the accounts were signed are adequate and fit for purpose. The arrangements are subject to independent review and assurance from various sources as noted in paragraphs 12.3.
- 15.2 We propose over the coming year to take steps to address the issues identified in paragraph 14.1 above to further enhance the governance arrangements. Additional actions can be taken in-year through the business planning and objective setting processes. We are satisfied that these steps will address the need for improvement as identified in the review of effectiveness and will monitor their implementations and operation as part of the next annual review.

Signed

Dan Price
Police & Crime Commissioner

Mark Roberts
Chief Constable



Bill Malloy
Chief Finance Officer (s151), Constabulary

On behalf of the staff and senior officers of the Office of the Police & Crime Commissioner for Cheshire and Cheshire Constabulary

GLOSSARY OF TERMS

Accruals - The concept that income and expenditure are recognised as they are earned or incurred, not as cash is received or paid.

Actuarial Gains and Losses - For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because (a) events have not coincided with the actuarial assumptions made for the last valuation; or (b) the actuarial assumptions have changed.

Appropriations - Amounts transferred to or from revenue or capital reserves.

Budget - A statement of the Commissioner's expected level of service and spending over a set period, usually one year.

Capital Expenditure - Expenditure on the acquisition of a fixed asset or expenditure which adds value to the life or value of an existing fixed asset.

Capital Adjustment Account - This account (formerly reserve) contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans, and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between the amounts provided for depreciation and that required to be charged to revenue to repay the principal elements of external loans. The balance on this account cannot be used to finance future capital expenditure.

Capital Receipts - These are proceeds from the sale of capital assets.

Capital Reserve - Created to provide an alternative source of financing for capital expenditure, and to ensure some stability in the level of capital programmes that can be financed.

Chief Constable – Where the term 'Chief Constable' is used within these accounts it refers to the office/role of the Chief Constable rather than a specific person.

Contribution to Capital Expenditure - The financing of capital expenditure by a direct contribution from revenue account, rather than by means of a loan or other forms of finance (sometimes referred to as revenue contribution to capital outlay).

Council Tax - The means of raising money locally to pay for the Commissioner's services. This is a property based tax where the amount levied depends on the valuation of each dwelling.

Creditors - Amounts owed by the Commissioner for goods and services received by 31 March, but for which payment has not yet been made.

Current Assets and Liabilities - Current assets are items which can be readily converted into cash. Current liabilities are items which are due immediately or in the short-term. By convention these items are ordered by reference to the ease that assets can be converted into cash, and the timescale in which the liability falls due.

Debtors - Amounts owed to the Commissioner for goods and services provided by 31 March, but for which payments have not yet been received.

Deferred Capital Receipts - Amounts representing capital receipts still to be received when disposals have taken place and deferred payments have been agreed.

Unitary Council's Collection Fund - A collection fund is maintained by each unitary council to receive all income raised through the Council Tax. The funds then pay precepts to the Commissioner, Fire Authority and parish councils to meet the cost of services. Central government support (Revenue Support Grant and National Non-domestic Rate) is no longer distributed via the collection fund, but is received by each Commissioner direct.

Earmarked Reserves - These reserves represent monies set aside that can only be used for a specific purpose.

Expenditure and Funding Analysis - The objective of the Expenditure and Funding Analysis is to demonstrate to the readers of the accounts how the funding available to the Chief Constable (i.e. funding from the Commissioner) for the year has been used in providing services in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the departments. Income and expenditure accounting for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Fair Value - The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction with no other motive than to secure a fair price.

Financial Instrument - A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another.

General Reserve - This is the Commissioner's main revenue reserve to which all revenue receipts are credited and from which all revenue liabilities are discharged. The movement shown in the fund represents the excess of expenditure over revenue within the 2012/13 revenue account.

Income - Amounts which the Commissioner receives, or expects to receive, from any source. Income includes fees, charges, sales, capital receipts, government grants, the precept on Council Tax collection funds, Revenue Support Grant and National Non-Domestic Rate.

Long-Term Borrowing - Long-term borrowing relates to loans taken out by the Commissioner from the Public Works Loan Board and commercial banks.

National Non-Domestic Rate - The government levies a standard rate on all properties and cannot increase it by more than the Retail Price Index. The rates are collected on behalf of the government by district councils and are then redistributed nationally.

Net Debt - This comprises cash in hand, cash overdrawn, short term investments and long term borrowing.

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

Pension Assets – Expected Rate of Return - For a funded defined benefits scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Pension – Interest Costs - For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

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

Police Services – these are services as set out in the CIPFA Service Reporting Code of Practice.

Precept - The amount of money the Commissioner has to raise from Council Tax payers (via unitary collection funds) to pay for police services. Each collection fund pays a standard amount per Band D equivalent property.

Provisions – Provisions represent sums set aside for liabilities or losses which are certain to arise but owing to their inherent nature cannot be quantified with any certainty. The Commissioner's main provisions relate to insurances and pensions.

Public Works Loan Board (PWLB) - A government agency which provides longer term loans to Local Authorities at interest rates only slightly higher than those at which the government itself can borrow.

Reserves - There are two types of reserve; those which are available to meet revenue or, in some cases, capital expenditure and those which are not available to finance revenue or capital expenditure. Most revenue reserves are capable of being used to finance revenue or capital expenditure.

Revenue Expenditure - Amounts which the Commissioner pays or expects to pay to any source - includes the cost of employees, premises, transport, supplies and services.

Revenue Support Grant - General government grant support towards the Commissioner's expenditure.

Temporary Investments - This comprises of cash in hand, cash overdrawn and short-term investments which are readily convertible into known amounts of cash. These are deposited with banks or similar institutions under the Treasury Management Strategy.

Unapplied Capital Grants - Capital Grants received, but not yet used to finance capital expenditure.