



Cheshire **Constabulary**

**CHIEF CONSTABLE FOR CHESHIRE
STATEMENT OF ACCOUNTS
2024/25**

STATEMENT OF ACCOUNTS 2024/25

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NARRATIVE REPORT

Narrative Report 2024/25 – Cheshire Constabulary Statement of Accounts

1. Purpose and Legal Framework

This Narrative Report provides an overview of Cheshire Constabulary's activities, performance, and financial position for the financial year 1 April 2024 to 31 March 2025. It is published alongside the Statement of Accounts as required by the Accounts and Audit Regulations 2015 and follows the guidance of the CIPFA Code of Practice on Local Authority Accounting. The report aims to help readers understand the Constabulary's strategic objectives, operational achievements, financial results, governance arrangements, and the principal risks and outlook for the future.

Cheshire's police governance operates under the Police Reform and Social Responsibility Act 2011, which established the Police and Crime Commissioner (PCC) and Chief Constable as separate "corporation sole" entities. As such, both the PCC and Chief Constable must produce annual accounts, with a Group Accounts consolidation. The Statement of Accounts has been prepared in accordance with proper practices and International Financial Reporting Standards, providing a true and fair view of the financial transactions for the year. The Narrative Report, as part of these accounts, is also prepared in line with the statutory "Delivering Good Governance in Local Government" framework and is consistent with the Annual Governance Statement.

Purpose of the Statement of Accounts: The accounts set out the financial performance and financial position of the Chief Constable for 2024/25. Key statements include the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, and Cashflow Statement, supported by notes. The accounts reflect all income and expenditure in accordance with proper accounting practice, including adjustments for pension liabilities and asset valuations, to present both the accounting cost of policing services and the funding position. The Movement in Reserves Statement shows how the year-end balances in usable reserves have changed, while the Comprehensive Income and Expenditure Statement shows the economic cost of providing policing during the year. The Balance Sheet details assets, liabilities and reserves as at 31 March 2025, and the Cashflow Statement outlines how cash was generated and used. Together, these statements demonstrate the Constabulary's financial health and stewardship of resources within the legal and regulatory framework.

Legal and Regulatory Framework: The PCC and Chief Constable's financial affairs are managed in accordance with the Police Act 1996 and subsequent legislation. The PCC is responsible for securing an efficient and effective police service and must set the annual budget (including the police precept element of council tax) and police and crime objectives, consulting the public on significant changes. The Chief Constable has operational independence to direct police personnel and resources to achieve those objectives. A Scheme of Corporate Governance is in place, setting out how functions are delegated and how financial management is controlled. Both corporations sole have adhered to the Home Office Financial Management Code of Practice and relevant accounting standards in preparing these accounts. The Narrative Report fulfils the requirement to provide a fair review of the Constabulary's development, performance and position, and to outline principal risks and uncertainties facing the service.

In summary, this report and the accompanying financial statements are published to meet statutory accountability requirements and to explain to the public how Cheshire Constabulary is performing and managing its finances in pursuit of making Cheshire safer. The following sections provide an organisational overview, discuss strategy and performance, review operational and financial matters, outline workforce and equality initiatives, describe governance arrangements, and highlight key risks and our future outlook.

Organisational Overview

Cheshire Constabulary is one of 43 police forces in England and Wales, serving around 1 million residents across Cheshire West and Chester, Cheshire East, Warrington, and Halton. The force covers a mix of urban and rural areas, including major towns and key transport routes. Its mission is to make Cheshire safer and hostile to criminals.

Workforce and Structure

By year-end 2024/25, the force had its highest officer numbers in over a decade, with:

Employee Type	Headcount as at 31.03.2025
Officers	2419
Staff	1644
Specials	145
PCSO's	93
Volunteers	92
Total	4393

The workforce is organised into nine Local Policing Units (LPUs) and specialist departments (e.g. crime, roads policing, public protection), all guided by the Code of Ethics and core values of integrity, fairness, and community partnership. Officer numbers at year-end exceeded our workforce target of 2,410, enhancing the force's capacity to respond to public needs, improving officer wellbeing, and strengthening resilience across the organisation. This outcome reflects our successful recruitment and retention efforts.

Leadership and Governance

In May 2024, Dan Price was elected as Police and Crime Commissioner (PCC), succeeding John Dwyer. Chief Constable Mark Roberts continued to lead operational delivery, ensuring continuity and performance improvement. The PCC sets strategic direction via the Police and Crime Plan, while the Chief Constable manages day-to-day policing.



Chief Constable Mark Roberts with PCC Dan Price

Strategic Planning

For most of the year the force operated under the 2021–24 Police and Crime Plan, which focused on:

1. Preventing crime
2. Road safety
3. Justice for victims
4. Protecting the vulnerable
5. Public confidence
6. Modernising policing

From December 2024 a new Police & Crime Plan was published by the Commissioner Dan Price with three new focuses:

- Listen to the public
- Modernise
- Reduce crime

Police and Crime Plan 2024-28

Listen to the Public

The Commissioner has set out his plans to engage widely with the public through the hosting of citizens assemblies in each of the nine Local Policing Units (LPUs) across the Constabulary area. This will enable the Commissioner and his team to hear the voices of local people and enable local policing teams to be better informed on the views of local residents. Dan Price is the first Police and Crime Commissioner in the country to launch citizens' assemblies, giving residents of Cheshire the pioneering opportunity to help shape local policing plans. The programme was awarded a certificate of excellence by the iESE the public sector transformation awards 2025.

The Commissioner's Plan includes a wide range of support for victims of crime, by commissioning tailored services to best meet their needs. By regularly reviewing police performance and holding the Chief Constable to account, the Commissioner will ensure that the police are using all the tools available to them. He will retain a sharp focus on the Constabulary handling victims with care, respect and sensitivity.

Modernise

The Commissioner is keen to drive efficiencies and explore how artificial intelligence and data analytics can help drive forward many of the priorities contained within his Plan. Innovative technology will be embraced to ensure that the service is well equipped to deal with current and emerging threats and ensuring the police are present when and where they are needed most. This will be supported by a culture which is open to new ideas and new ways of working. Wherever possible, the Commissioner will look to secure additional funding and work with key stakeholders to build on the successes already achieved.

The Plan supports future budgets making provision for funding to ensure that the Constabulary estate is modernised and, despite the challenging financial context and the age and size of the estate, invest in existing properties in a sustainable and economic way to enable them to remain effective policing bases best placed to serve our communities. This will also include provision for the development of new, state of the operational bases in Wilmslow and Crewe.

Reduce Crime

Through his citizens assemblies, the Commissioner is clear how important neighbourhood policing, and a visible police presence is to all our communities and will support and review the development of the neighbourhood policing model where all communities will have a named contact. Through his scrutiny process, the Plan also sets out how response and call handling times will be monitored. The Plan will support the continued use of tools such as Dytask which will ensure that hotspot areas are properly policed, and that communities and businesses can be best supported at times when they may need additional resources to address such issues as ASB. The Commissioner is currently developing the County's first stakeholder funded hotspot policing programme.

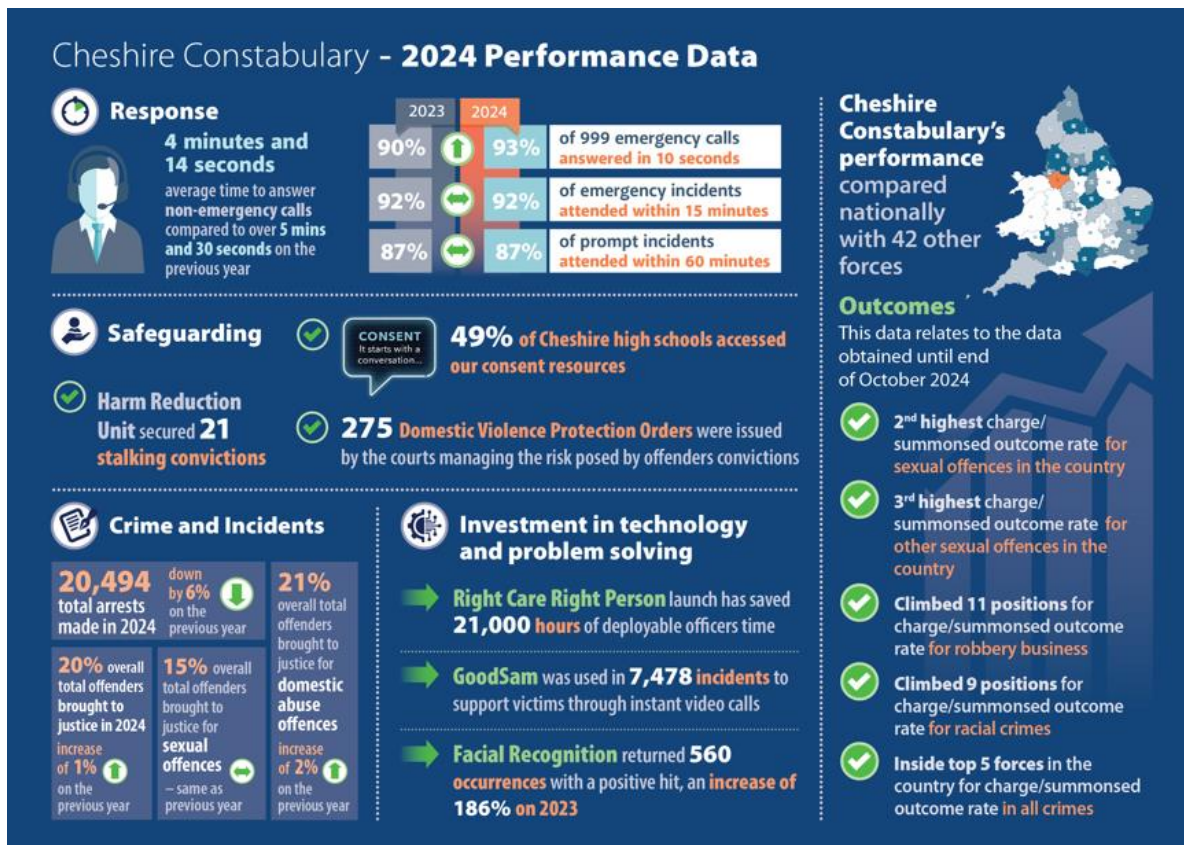
The Commissioner's Plan also includes a keen focus on violence against women and girls and driving up the reporting of domestic abuse incidents, to ensure the service provided to victims is the best it can be, and that those most at risk of harm are protected.

The Plan also has a focus on the prevention agenda and efforts to steer people away from criminal activity, looking to commission educational programmes where appropriate to tackle the scourge of knife crime and other serious violence, but also working with perpetrators and ex-offenders to rehabilitate them into our communities and deter them from further criminality. Future budgets will also set out the contributions that will be made to regional policing operations which focus on serious and organised crime and counter terrorism, for which the Commissioner and his regional counterparts will provide oversight and scrutiny.

The Plan sets out the work which will be undertaken with local community groups, utilising money seized through the Proceeds of Crime Act to develop projects which support local communities to tackle crime and anti-social behaviour.

Strategic and Performance Report

The infographic below represents the Constabulary’s performance over the last calendar year. It shows that the Constabulary has maintained its improved performance. The percentage of emergency calls answered within 10 seconds has increased compared to the previous year, as has the percentage of offenders who have been brought to justice. These examples, together with safeguarding and investment in technology and problem-solving performance data listed below, demonstrate our commitment to protecting the vulnerable and providing timely support. The Constabulary has also made significant improvements compared to other forces, particularly in outcomes for racial crimes and business robberies. Additionally, the Constabulary ranks within the top 5 forces nationally for charge/outcome rates in sexual offences (2nd), other sexual offences (3rd), and all crimes (top 5).



HMICFRS Inspection Results

The **2023–2025 PEEL inspection** rated Cheshire:

Criteria	Grade
Protecting vulnerable people	Outstanding
Managing offenders and suspects	Outstanding
Police powers and treating the public fairly and respectfully	Good
Preventing and deterring crime and antisocial behaviour, and reducing vulnerability	Good
Building, supporting and protecting the workforce	Good
Leadership and force management	Good
Responding to the public	Adequate
Investigating crime	Adequate
Disrupting serious organised crime	Adequate

Inspectors praised Cheshire’s focus on vulnerability, offender management, and innovation in neighbourhood policing. The Chief Constable has launched action plans to address areas needing improvement. HM Inspector of Constabulary Michelle Skeer: “I congratulate Cheshire Constabulary on its excellent performance in keeping people safe, reducing crime and giving victims an effective service... This success is thanks to strong leadership and the hard work of all its police officers, staff and volunteers”. The report cited Cheshire as a force that learns and adapts, giving confidence that it will continue making improvements and aiming for excellence in all categories. The outstanding HMICFRS results and accompanying press coverage resulted in positive national attention and reinforced Cheshire Constabulary’s reputation for effective and ethical policing.

Key Operational Achievements: Underpinning the performance outcomes were several strategic initiatives and achievements in 2024/25:

- Safest Area in the North West** Cheshire recorded the lowest crime rate in the region (71 crimes per 1,000 people), outperforming neighbouring areas. Both crime volume and severity declined, especially in serious violence. This success is credited to a proactive strategy focused on arrests and visible patrols, making Cheshire a high-risk area for offenders. This aligns with the PCC’s vision of safer, thriving communities. Chief Constable Mark Roberts credited the sustained crime reduction to proactive policing making the county “a hostile place for criminals”. Cheshire Constabulary is also ranked 1st in the country for public confidence in Local Policing (Crime Survey 2024).
- Victim Support** Supporting victims remained a top priority. The Cheshire CARES team provided tailored, confidential support to over 6,400 individuals. National inspections praised the force’s victim-focused approach, including better communication, emotional support, and use of feedback to improve services. Innovations like more frequent case updates and tools like the Hollie Guard app enhanced victim care.
- Innovation and Technology** Cheshire embraced tech to modernise policing. Retrospective Facial Recognition helped identify 126 suspects in three months. Drones, digital evidence systems, and upgraded mobile tech improved efficiency and accountability. Innovations like the ASB Early Alert system and predictive analytics for crime hotspots were highlighted as best practices. Call handling also improved, with faster 999 and 101 response times.

- **Best Outcomes for Victims:** Cheshire leads the country in bringing offenders to justice in domestic abuse cases. The force currently has the highest “action taken” rate in England & Wales for domestic abuse (i.e. the proportion of reported abuse crimes that result in a charge or other positive outcome).
- **Knife Crime Operation (Op Sceptre):** As part of the national Operation Sceptre week in May 2024, Cheshire Police recovered 450+ knives from the streets in one week and made 8 arrests related to weapon possession. Officers conducted 70 weapons sweeps and over 140 stop-searches across the county. Cheshire’s knife crime rate remains among the lowest nationally, and the force’s intensified enforcement (including surrender bins and community education events) removed a significant number of lethal weapons.
- **Neighbourhood Policing Uplift:** Cheshire Constabulary secured additional resources to strengthen local policing. In early 2025, the Home Office awarded Cheshire a special £3 million Neighbourhood Policing grant, which is being used to put 48 more police officers into community policing roles on our streets. The force created a new Assistant Chief Constable post to lead Neighbourhood Policing, underscoring the priority given to local visibility. By year-end, recruitment processes were underway for the additional officers.



Financial Review

On 24 January 2024, the Commissioner approved a gross revenue budget of £288.7m (net £249.8m), together with a capital programme of £10.5m. At the Joint Management Board meeting on 3 July 2024, the Commissioner approved carry forward requests of £1.7m and capital slippage of £5.4m of which £1.6m was confirmed after the original programme was set.

Managing Financial Pressures

To address a funding gap caused by inflation and pay awards, the force implemented:

- Efficiency savings through procurement reviews and vacancy management.
- Use of £1.6 million in reserves to support key projects.
- A £12.50 increase in the Band D police precept generating ~£6 million in additional income.

These measures ensured financial balance while protecting frontline services.

3. Income Sources

Cheshire's funding mix in 2024/25 included:

- ~50% from government grants
- ~36% from council tax precept
- ~14% from other income (e.g. grants, service fees)

Despite the precept rise, Cheshire remains among the lowest precepted forces nationally, meaning local taxpayers still contribute less than in many areas.

4. Financial Outlook

The year ended with a small underspend, which will be carried forward to support 2025/26 priorities. The PCC and Chief Constable continue to advocate for a fairer national funding formula to reflect Cheshire's needs.

	Full Year Budget	Outturn Actual	Carry Forwards	Total Outturn	Outturn Variance	
	£000	£000	£000	£000	£000	%
Police Pay	136,446	136,465	0	136,465	19	0%
Overtime	3,277	3,869	0	3,869	592	18%
Crime	19,607	18,996	0	18,996	(611)	(3%)
Operations	44,578	43,577	385	43,962	(616)	(1%)
Centrally Delivered Services	37,309	38,736	277	39,013	1,704	5%
Collaborations	12,903	12,733	0	12,733	(170)	(1%)
Corporate Costs	(6,503)	(8,696)	291	(8,405)	(1,902)	29%
Total Constabulary Costs	247,617	245,680	953	246,633	(984)	(0%)

The provisional revenue outturn as of 31 March 2025 is an underspend of £1m. This is a 0.4% variance to the net budget and therefore within the financial health target to maintain revenue spending within 1% of the net budget. It should be noted that this underspend has arisen predominantly from active cash management- maximising interest earned on investments while interest rates are high. In addition, the Constabulary has benefitted from additional income this year in relation to Operation Safeguard, and from driver offender retraining due to a rise in motoring offences.

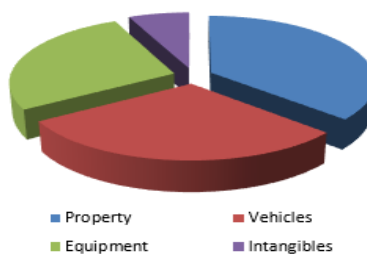
The CC gets all of its funding from the PCC. The sources of that funding are detailed in the Statement of Accounts of the PCC and Group.

Capital Investment

At the start of 2024/25 the capital programme included investment in estates, digital/information technology, vehicles, and equipment totalling £9.0m. The programme was reviewed, amended and changes approved throughout the year as necessary with the year-end position shown below together with details of how this was funded.

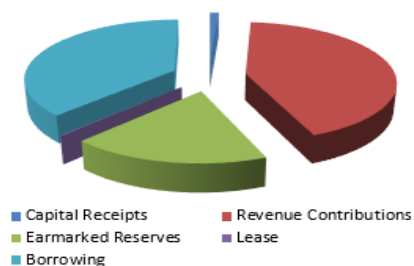
Capital Expenditure	£000	
Property	3,315	36.7%
Vehicles	2,670	29.5%
Equipment	2,437	27.0%
Intangibles	619	6.8%
Total	9,041	100.0%

Capital Expenditure



Capital Financing	£000	
Capital Receipts	100	1.1%
Revenue Contributions	3,869	42.8%
Earmarked Reserves	1,656	18.3%
Lease	16	0.2%
Borrowing	3,400	37.6%
Total	9,041	100.0%

Capital Financing



Cheshire invested approximately £9 million in capital projects, including:

- £3.5m on Estates: Wilmslow & Crewe station builds, custody refurbishments, and digital forensics hub.
- £2.7m on Fleet & Equipment: New vehicles, Tasers, and radios.
- £2.2m on IT & Digital: Body-worn cameras, network upgrades, and digital evidence systems.
- £0.8m on Operational Equipment/Infrastructure

Funding came from capital grants, asset sales, revenue contributions, and borrowing.

Treasury and Pensions

- Cashflow was well-managed, with low-risk investments and slightly higher interest income due to rising rates.
- Pension liabilities (shown in accounts under IAS19) are long-term and backed by government support.
- The upcoming increase in employer National Insurance (to 15%) from April 2025 is a known cost pressure being planned for.

Financial Governance

- Financial performance was monitored monthly by CFOs and reviewed by the Joint Audit Advisory Committee.
- Internal audits gave positive assurance on key areas like payroll and procurement.
- External auditors issued an unqualified opinion on the 2023/24 accounts, with no major issues flagged for 2024/25.

Governance Structure

Cheshire Constabulary operates under a clear governance framework:

- PCC Dan Price sets strategic priorities, allocates budgets, and holds the Chief Constable accountable.
- The Police and Crime Panel scrutinises the PCC's work, including budget decisions and policing strategies.
- Internally, the Chief Officer Group (COG) oversees strategic decisions, supported by boards for performance, change, and risk.

A smooth transition to the new PCC in May 2024 ensured continuity of key projects and priorities.

Risk Management

Strategic risks (e.g. funding pressures, digital demand, workforce wellbeing) are tracked in a Strategic Risk Register and reviewed quarterly. Mitigations include scenario planning, training, and demand reduction initiatives like Right Care, Right Person. Operational risks are managed through command structures and escalated when needed.

Accountability and Transparency

The PCC and Constabulary publish financial and performance data and hold public meetings. Community engagement events and online Q&As allow residents to raise concerns. Internally, Ethics and Legitimacy Boards ensure policies align with human rights and ethical standards, especially for sensitive areas like protest policing and facial recognition.

Collaboration and Joint Governance

Cheshire collaborates with other forces on specialist units (e.g. armed policing, underwater search). These are governed by joint boards and reviewed annually for performance and value for money.

Audit and Inspection

External and internal audits (e.g. on payroll, data handling) provide assurance. HMICFRS inspections inform improvements, and Cheshire has proactively implemented national recommendations, often being cited as a leader in good practice.

Annual Governance Statement (AGS)

The 2024/25 AGS included within these accounts confirms that Cheshire Constabulary has strong governance and internal controls in place. It highlights continued progress in areas like:

- Embedding new police complaints handling processes under PCC oversight.
- Improving the timeliness of complaint resolutions.

The AGS is reviewed by the Joint Audit Committee and signed by the Chief Constable, PCC, and their CFOs.

Governance Assurance

Cheshire's governance met all statutory requirements and followed the CIPFA/SOLACE and Nolan Principles. The smooth transition to a new PCC was managed within this framework, ensuring continuity and transparency.

Looking Ahead

Governance will continue to evolve in response to national developments (e.g. post-Manchester Arena Inquiry), but Cheshire is well-prepared, with governance taken seriously at the highest levels.

Principal Risks

Financial and Economic Risks

Cheshire faces rising costs from pay increases, National Insurance hikes, and inflation. While 2024/25 was financially balanced, a funding gap is projected. The force is planning savings and efficiency measures, including shared services and tech investment, while advocating for fairer funding in future government reviews.

Workforce and Wellbeing Risks

A growing but less experienced workforce poses short-term challenges. The force is addressing this through training, mentoring, and retaining experienced officers. Staff wellbeing remains a concern, especially with mental health demands. The “Right Care, Right Person” model aims to reduce non-crime pressures, but success depends on partner agency capacity.

Operational and Crime Risks

Cybercrime, fraud, and organised crime are evolving threats. Cheshire is investing in digital forensics, cyber units, and regional partnerships to stay ahead. New technologies like encrypted communications and cryptocurrency add complexity, requiring ongoing training and tools.

Terrorism and Public Order

Cheshire remains alert to terror threats and public disorder risks. The force works with Counter Terrorism Police and trains regularly for major incidents. Its impartial approach to protest policing helps maintain public trust.

Legitimacy and Reputational Risks

National scrutiny of police conduct means any serious misconduct could damage trust. Cheshire has strengthened vetting and anti-corruption efforts and maintains transparency through strong oversight and ethical leadership.

Governance and Legal Risks

Legal compliance and data security are closely monitored. Cybersecurity is a key focus, with support from the National Cyber Security Centre. The force is also reviewing national inquiry recommendations to ensure readiness for major incidents.

Future Outlook:

Positive Trajectory

Cheshire enters 2025/26 with strong momentum: crime is down, public confidence is up, and HMICFRS has praised performance. The focus now is on continuous improvement and innovation.

Striving for Excellence

The Chief Constable aims for the force to be “outstanding in every aspect.” Action plans are in place to improve investigative quality and victim service, including a new Investigation Quality Board and real-time victim satisfaction surveys.

New Police and Crime Plan

PCC Dan Price launched a new Police and Crime Plan in December 2024 to prioritise community policing, prevention, and tech-driven policing, while aligning with national priorities like VAWG and neighbourhood safety.

Key Projects and Infrastructure

- **Wilmslow Police Station** will open in autumn 2025, setting a benchmark for future estate upgrades. This is planned to be the first police station in the country built to Passivhaus standards. Passivhaus is a building standard which focuses on achieving exceptionally high energy efficiency and comfort levels by prioritising reduced heating and cooling. It does this using a combination of factors such as: high levels of insulation, airtight construction, high-performance windows, and heat recovery ventilation.
- **Crewe Police Station** a new police station will begin build in 2025/26.
- **Custody Suite Refurbishments** Over the last two years, work to improve the force's custody facilities was ongoing. In April 2025 this work is now completed to provide a unified approach to all processes and welfare in custody.



Crewe Police Station Design

Acknowledgements:

The production of the Statement of Accounts would not have been possible without the outstanding commitment and efforts of colleagues in the Force Finance Department. I extend my sincere thanks to everyone who contributed to the preparation of this document and for their continued support throughout the year. I would also like to acknowledge my predecessor as Chief Finance Officer of Cheshire Constabulary Wendy Bebbington who retired in January 2025 after several years of dedicated service.



Wendy Bebbington with Chief Constable Mark Roberts and Deputy Chief Constable Chris Armitt.

Further Information

Every effort has been made to ensure that the information provided in this Group Statement of Accounts is clear and informative. Should you require any further information or if you have any comments, please contact Bill Malloy, Chief Finance Officer, Cheshire Constabulary on telephone number 07879 470810 or via the Finance Department, Clemonds Hey, Oakmere Road, Winsford, Cheshire, CW7 2UA.



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

Narrative Reports Footnotes:

- Financial and performance data are drawn from Cheshire Constabulary's internal records and the Draft Statement of Accounts 2024/25. Crime statistics are from the Office for National Statistics release (year to Sept 2024) and Cheshire Constabulary performance reports.
- Inspection findings are from HMICFRS publications: *PEEL 2023-25 Cheshire* (Feb 2025), the *Crime Investigations National Report* (Mar 2025), and the *Policing Impartiality Inspection* (Sept 2024).
- Highlights of good practice (youth engagement, advisory group governance, staff welfare considerations) are referenced from Cheshire Constabulary news articles and HMICFRS reports.
- Police & Crime Plan 2024-28 as published on Cheshire PCC Website: <https://www.cheshire-pcc.gov.uk/what-the-commissioner-does/police-and-crime-plan/>
- The neighbourhood policing uplift funding was announced by the Home Office in Jan 2025 and confirmed by PCC in Apr 2025.
- Wilmslow Police Station development details are from project press releases.
- Precept and budget consultation outcomes are documented in the PCC's budget leaflet and media releases.
- Any forward-looking statements about plans and initiatives are based on current strategies and subject to change with emerging circumstances.

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 2025 and of the expenditure and income for the year ended 31 March 2025.



Bill Malloy, CPFA
Chief Finance Officer (s151), Cheshire Constabulary
30th June 2025

INDEPENDENT AUDITOR’S REPORT TO THE CHIEF CONSTABLE FOR CHESHIRE

Report on the Audit of the Financial Statements

Opinion on financial statements

To Follow

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MOVEMENT IN RESERVES STATEMENT

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				
Increase/(Decrease) in year	0	0	177,601	177,601
Balance at 31 March 2025	0	0	(1,667,357)	(1,667,357)

2023/24	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2023	0	0	(1,824,313)	(1,824,313)
Total Comprehensive Expenditure and Income	(35,435)	(35,435)	14,787	(20,647)
Adjustments between accounting basis & funding basis under regulations – see Note 9	35,435	35,435	(35,435)	0
Net Increase/(Decrease) before transfers to Earmarked Reserves	0	0	(20,647)	(20,647)
Transfers to/(from) Earmarked Reserves	0	0	0	0
Increase/(Decrease) in year	0	0	(20,647)	(20,647)
Balance at 31 March 2024	0	0	(1,844,960)	(1,844,960)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

31 March 2024			31 March 2025		
£000	£000	£000	£000	£000	£000
Expenditure	Income	Net	Expenditure	Income	Net
116,897	0	116,897	129,881	0	129,881
24,078	0	24,078	25,474	0	25,474
44,179	0	44,179	45,966	0	45,966
34,142	0	34,142	36,451	0	36,451
10,229	0	10,229	11,312	0	11,312
(566)	0	(566)	(338)	0	(338)
228,960	0	228,960	248,746	0	248,746
	(277,040)	(277,040)		(298,201)	(298,201)
		(48,080)			(49,456)
		0			0
		83,515			86,211
		0			0
		35,435			36,756
		0			0
		0			0
		(14,787)			(214,357)
		(14,787)			(214,357)
		20,647			(177,601)
		Total Comprehensive Income and Expenditure			

(a) Crime, Operations, Centrally Delivered Services and Corporate Costs reorganised in 2024/25, 2023/24 figures restated to reflect the new structure – previously Crime £18,578k net: Protecting Vulnerable Persons & Criminal Justice £5,445k net, Local Policing £6,410k net; Force Operations £18,398k net; Centrally Delivered Services £6,786k net, Business Services £43,055k net and Corporate Costs £3,161k net

BALANCE SHEET AS AT 31 MARCH 2025

31 March 2024 £000		31 March 2025 £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		
(5,449)	Short Term Creditors	(5,597)		
(5,449)	Current Liabilities		(5,597)	
0	Long Term Creditors	0		
0	Provisions	0		
0	Long Term Borrowing	0		
(1,839,510)	Other Long Term Liabilities	(1,661,760)		13
(1,839,510)	Long Term Liabilities		(1,661,760)	
(1,844,959)	Net Liabilities		(1,667,357)	
	Represented By:			
0	Usable Reserves		0	
(1,844,959)	Unusable Reserves		(1,667,357)	10
(1,844,959)	Total Reserves		(1,667,357)	

These accounts replace the unaudited accounts that were issued on XX June 2025.

Bill Malloy

Bill Malloy, CPFA – Chief Finance Officer (s151) (Constabulary)

Date: 30th June 2025

CASH FLOW STATEMENT

31 March 2024 £000		31 March 2025 £000
35,435	Net (surplus) or deficit on the provision of services	36,756
	Adjust net (surplus) or deficit on the provision of services for non-cash movement	
0	Depreciation	0
0	Amortisation	0
(19,050)	Pensions - actuarial movement	(36,607)
(1,596)	Movement in Creditors	(148)
0	Movement in Debtors	0
0	Movement of Stock	0
(14,789)	Other non-cash items	0
	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	
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

All cash and cash equivalents are held by the Commissioner and shown in his individual Statement of Accounts.

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; see Notes 14 and 15 for further details.

2023/24 £000	FUND ACCOUNT	2024/25 £000
	Contributions Receivable from:	
(29,263)	Employer at 31% of pensionable pay	(35,083)
(1,780)	Early Retirements	(1,886)
(12,622)	From current employees	(13,601)
(43,665)		(50,570)
0	Transfers in from other police authorities	0
(341)	Transfers in from other pension schemes	(241)
(44,006)		(50,812)
	Benefits Payable:	
60,211	Pensions	65,281
14,521	Commutations and lump sum retirement benefits	14,405
280	Lump sum death benefits	0
	Payments to and on account of leavers	
250	Transfers out to other schemes	67
143	Refunds of contributions	144
	Other payments	
0	Pension Admin and interest charges	0
75,405		79,897
31,399	Net amount payable for the year	29,086
(31,399)	Additional Contribution from the Commissioner ¹	(29,086)
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.

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 2024/25 financial year and the position at 31 March 2025. 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 2024/25, 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.

In addition, it is assumed that the Chief Constable will continue in operational existence for the foreseeable future. The accounts are prepared on a going concern basis, reflecting the fact that they are statutory corporations sole whose operations will continue into the future.

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. 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. IFRS 16 *Leases* has been adopted as a new accounting policy in 2024/25. In line with CIPFA Code transitional provisions, the Commissioner has applied this standard from 1 April 2024 without restating prior year comparatives (see Lease accounting policy below). 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 considered **material** if its omission or misstatement could influence decisions that users make on the basis 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)

All Finance leases are shown in the Commissioner's accounts and the associated policy is included in his and the Group's Statement of 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. The Chief Constable does not reallocate costs according to a prescribed formula but charges support costs (e.g. for corporate departments) to operational headings as appropriate, reflecting the way resources are consumed.

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 2024/25 (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 2024/25 and 2025/26 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 2025/26 and any amendments required will be clearly shown in the 2025/26 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 2025, 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 £5.715m 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 26.

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

2023/24

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	5,304	(25,438)	819	(19,316)
Crime (a)	1,075	(5,156)	166	(3,915)
Operations (a)	1,880	(9,017)	291	(6,846)
Centrally Delivered Services (a)	680	(7,826)	252	(6,894)
Collaborations	431	(2,067)	67	(1,570)
Corporate Costs (a)	(1,822)	(1,091)	0	(2,913)
Net cost of services	7,547	(50,593)	1,593	(41,452)
Other income & expenditure from the funding analysis		83,515	(6,628)	76,887
Difference between GF and CIES surplus/ deficit	7,547	32,922	(5,035)	35,435

(a) Crime, Operations, Centrally Delivered Services and Corporate Costs reorganised in 2024/25, 2023/24 figures restated to reflect the new structure – previously Crime £(3,070)k net: Protecting Vulnerable Persons & Criminal Justice £(900)k net, Local Policing £(1,059)k net; Force Operations £(3,040)k net; Centrally Delivered Services £(1,121)k net, Business Services £(8,464)k net and Corporate Costs £(2,913)k net

6. Expenditure and Income Analysed by Nature

Subjective Analysis of Expenditure Chief Constable

	2024/25	2023/24
	£000	£000
Employees - Police Pay and Allowances	155,583	141,657
- Civilian Pay and Allowances	72,314	69,690
- Other Pay and Allowances	5,162	3,861
Premises	11,427	11,460
Transport	5,049	4,778
Supplies & Services	20,736	21,217
Third Party Payments	16,388	14,976
IAS19 Pension costs	(50,073)	(50,593)
Depreciation and Amortisation of Assets	0	0
Fair Use of Assets	12,005	10,321
Movement in Accumulated Absences Reserve	154	1,593
Total Service Expenditure	248,746	228,960
Service Income (<i>see below</i>)	0	0
Funding from PCC	(298,201)	(277,040)
Net Cost of Service	(49,456)	(48,080)
(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	86,211	83,515
Net Operating Expenditure	36,755	35,435
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	36,756	35,435

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

	2024/25	2023/24
	£000	£000
Pension Interest Cost & Expected Return on Assets	86,211	83,515
Total	86,211	83,515

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.

2024/25	General Fund Balance £000	IAS19 Pension Reserve £000	Accum Absence Reserve £000	Total Unusable Reserves £000
Other Comprehensive Expenditure and Income:				
Pensions: Actuarial Gains and Losses	0	(214,357)	0	(214,357)
	0	(214,357)	0	(214,357)
Adjustments between accounting basis & funding basis under regulations:				
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

2023/24	General Fund Balance £000	IAS19 Pension Reserve £000	Accum Absence Reserve £000	Total Unusable Reserves £000
Other Comprehensive Expenditure and Income:				
Pensions: Actuarial Gains and Losses	0	(14,787)	0	(14,787)
	0	(14,787)	0	(14,787)
Adjustments between accounting basis & funding basis under regulations:				
Current Service Costs	49,676	(49,676)	0	(49,676)
Past Service Costs	0	0	0	0
Pensions – Net Interest	(83,515)	83,515	0	83,515
Accumulated Absences Account	(1,596)	0	1,596	1,596
	(35,435)	33,839	1,596	35,435

10. Partnerships & Operational Collaborations

The Chief Constable worked with a number of partners during 2024/25. Service level agreements exist to define the role of each of the bodies involved. In all of 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 Accounting Standard (IAS31).

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 including Airbox; Premises; Covert Operations 1-3, Police Officer Uplift 1, 2 and 3, Digital Transformation; Operation Falcon and Financial Pressures. 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 overall expenditure being met from the six forces above with OPSY, ROCT, RIU, RCU, (TSU - two separate percentage figures for revenue and capital charges), PIU, Year 1-3 Uplift programme and Ops 3 part funded by Home Office Grant. The amount reflected in Cheshire's accounts 2024/25 overall is £2.9m (£2m in 2023/24).

Northwest Police Underwater Search and Marine Unit

The Northwest Police Underwater Search and Marine Unit (UWMSU) serves 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 2024/25, 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 2024/25 the total cost of the UWMSU collaboration was £1.2m (£1.1m in 2023/24) and apportioned based on each Commissioner's police grant allocation. Cheshire's contribution amounted to £0.1m (£0.1m in 2023/24).

Northwest Motorway Policing Group

The Northwest Motorway Policing Group serves the areas of Cheshire, Merseyside, and Greater Manchester. It is staffed by 1 Inspector, 1 Sgt and 4 Constables and police staff with the overall expenditure being met by the three constituent police forces. All costs are apportioned based on the geographic share of the motorways being policed, population and the number of incidents occurring. On the 1 April 2024, GMP gave notice to leave the collaboration in line with the S22 regulations and the collaboration was disaggregated on 31 March 2025. In 2024/25 Cheshire charged the collaboration expenditure of £1.7m (£1.4m in 2023/24) with Cheshire's contribution amounting to £0.5m (£0.4m in 2023/24).

Northwest Armed Policing Collaboration

The NW Armed Policing Collaboration (NWAPC) has been operating as a 5-force collaboration (North Wales, Cheshire, Greater Manchester, Cumbria, Merseyside) since 2018 and obtained a full College of Policing (CoP) Firearms Training Licence in 2019, under which it operated until 1st April 2024. From this point, NWAPC operates as a 4-force collaboration with Greater Manchester exiting. The new NWAPC has already secured a full training license for armed policing. NWAPC also hold the license for Taser training across the 4 forces. This is currently an interim license (which most forces are under) given the relatively new requirement to operate under a license. 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 2024/25, the total cost of NW Armed Policing Collaboration was £0.8m (£0.8m in 2023/24). This collaboration is apportioned based on each Commissioner's police grant allocation. Cheshire's Contribution amounted to £0.20m (£0.10m in 2023/24).

Cheshire and North Wales Police Alliance

The Cheshire and NWP Alliance provide armed officers and dog handlers to both Cheshire and North Wales in a fully integrated joint force team since 2014 (dogs joined in 2016). It is both an armed policing and dog alliance that serves the areas of Cheshire and North Wales and is staffed by police officers and support staff from the two constituent police forces with the overall expenditure being met by those forces. For 2024/25, Cheshire charged expenditure on the provision of police officers, police staff, equipment, vehicles, and transport to the collaboration amounting to £6.7m (£6.8m in 2023/24). The total cost of the Alliance was £10.7m (£10.0m in 2023/24) and apportioned based on each Commissioner's Police grant allocation. Cheshire's contribution amounted to £6.1m (£5.8m in 2023/24).

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 2024/25 costs of £0.646m 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 has strong links to the Northwest Motorway Policing Group as Automatic Number Plate Recognition (ANPR) is identified as an effective method of providing protective services across the region's strategic road network. 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 2024/25 was £0.10m (£0.07m in 2023/24) and Cheshire's contribution amounted to £0.01m (£0.01m in 2023/24).

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 2024/25 was £0.08m (£0.07m 2023/24) and Cheshire's share of costs amounting to £0.01m (£0.01m 2023/24).

Northwest Regional Chronicle Collaboration

Chronicle is a software system utilised to provide every police force with their 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. Within the Northwest this collaboration works across all 6 NW forces and has a central team who manage the central function. The cost in 2024/25 was shared between all 6 forces as per the police precept and included costs for a Police Sergeant, 3 staff and IT cloud costs. Cheshire hold the full Chronicle suite and have their own team within Cheshire supporting the day-to-day function. For 2024/25 the total cost of NW Regional Chronicle Collaboration was £0.29m (£0.29m in 2023/24) with Cheshire's share of costs amounting to £0.03m (£0.03m in 2023/24).

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, Armed Policing Collaboration, Motorway Policing Group, NW UWMSU and ANPR. For 2024/25 the total cost of the NW Regional ACC lead was £0.2m (£0.2m in 2023/24) shared equally between the NW police forces of which Cheshire's share of costs amounting to £0.03m (£0.03m in 2023/24).

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 the course of Financial Year 2022/23. North Wales Police are the lead force and are holding a total of £0.15m in reserves on behalf of the collaboration. For 2024/25 the total cost of the Telecoms SPOC collaboration was £1.6m (£1.4m in 2023/24) with Cheshire's share of the costs amounting to £0.9m (£0.8m in 2023/24).

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. In 2024/25 costs included the Niche, ICT infrastructure, Minerva support and maintenance costs which were previously not included as a collaboration cost within Cheshire. The Police and Crime Commissioner for Merseyside is the lead force. For 2024/25 the total cost of the West Coast Collaboration was £3.08m (£1.4m in 2023/24) 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 £0.87m (£0.40m in 2023/24).

COLLABORATION / PARTNERSHIP	2024/25 Spend	Cheshire Contribution	%
<u>Northwest Regional Organised Crime Unit (NWROCU)</u>			
Regional Confidential Unit	£2.89m	£0.301m	10.46
Regional Intelligence Unit	£0.33m	£0.035m	10.46
Operational Security (OPSY)	£0.01m	£0.002m	17.31
Regional Organised Crime Unit	£4.13m	£0.432m	10.46
Regional Technical Surveillance	£3.96m	£0.403m	10.18
Regional Prison Intelligence	£1.04m	£0.109m	10.46
Business Support	£0.93m	£0.097m	10.46
Covert Operations 1	£1.62m	£0.000m	0
Covert Operations 2	£1.82m	£0.157m	8.65
Covert Operations 3	£0.96m	£0.069m	7.21
UPLIFT Year 1	£2.95m	£0.288m	9.76
UPLIFT Year 2	£4.31m	£0.404m	9.38
UPLIFT Year 3	£4.08m	£0.382m	9.38
Digital Transformation	£0.20m	£0.021m	10.46
Operation Falcon	£0.03m	£0.004m	10.46
Pooled Resource including Airbox	£1.06m	£0.111m	10.46
Premises	£0.58m	£0.061m	10.46
Financial Pressures	£0.29m	£0.031m	10.46
TOTAL NWROCU 2024/25	£31.19m	£2.907m	%
West Coast Collaboration – Salary Costs	£1.33m	£0.382m	28.65
West Coast Collaboration – Niche Support Costs	£1.08m	£0.326m	30.30
West Coast Collaboration – ICT Infrastructure	£0.30m	£0.073m	24.73
West Coast Collaboration – Infrastructure Refresh	£0.08m	£0.020m	24.36
West Coast Collaboration – Minerva Support Costs	£0.10m	£0.025m	25.00
West Coast Collaboration – Listpoint/aligned asset	£0.02m	£0.000m	0.00
West Coast Collaboration - AMASS	£0.17m	£0.043m	24.73
TOTAL WEST COAST COLLABORATION 2024/25	£3.08m	£0.869m	%
NW Regional Underwater Search Unit	£1.20m	£0.127m	10.57
NW Regional Motorway Policing Group	£1.68m	£0.507m	30.22
NW Armed Policing Collaboration	£0.78m	£0.188m	24.22
Cheshire & North Wales Alliance	£10.68m	£6.139m	57.48
Cheshire Road Safety Group	£0.65m	0	0
NW Strategic Roads ANPR	£0.10m	£0.011m	11.36
NW Disaster Victim Co-Ordinator	£0.08m	£0.014m	16.67
NW Regional Chronicle Collaboration	£0.29m	£0.031m	10.57
NW Regional ACC Lead	£0.16m	£0.026m	16.67
SPOC Telecoms Collaboration	£1.57m	£0.895m	57.00
TOTAL 2024/25	£51.46m	£11.714m	

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.

2023/24 £000		2024/25 £000
1,820,460	Balance at 1 April	1,839,510
(14,789)	Remeasurements of the net defined benefit liability/(asset)	(214,357)
111,907	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	114,141
(78,068)	Employer's pensions contributions and direct payments to pensioners payable in the year	(77,534)
1,839,510	Balance at 31 March	1,661,760

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.

2023/24 £000		2024/25 £000
3,853	Balance at 1 April	5,449
1,596	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	148
5,449	Balance at 31 March	5,597

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		
	2024/25	2023/24	2022/23
£50,000 - £54,999	448	401	311
£55,000 - £59,999	307	223	158
£60,000 - £64,999	183	132	83
£65,000 - £69,999	126	51	18
£70,000 - £74,999	34	16	11
£75,000 - £79,999	10	7	10
£80,000 - £84,999	5	7	7
£85,000 - £89,999	5	10	7
£90,000 - £94,999	7	5	3
£95,000 - £99,999	8	5	2
£100,000 - £104,999	2	2	0
£105,000 - £109,999	1	1	1
£110,000 - £114,999	5	1	2
£115,000 - £119,999	0	1	0
£120,000 - £124,999	0	2	1
£125,000 - £129,999	1	1	0
£130,000 - £134,999	2	0	0
£135,000 - £139,999	1	1	1
£140,000 - £144,999	0	0	0
£145,000 - £149,999	1	1	0
£150,000 - £154,999	0	0	0
£155,000 - £159,999	0	0	0
£160,000 - £164,999	0	0	1
£165,000 - £169,999	0	1	0
£170,000 - £174,999	0	0	0
£175,000 - £179,999	1	0	0
Total	1,147	868	616

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

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

2023/24 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	168,227	0	0	0	168,227	51,172	219,399
Head of Forensics ¹	63,165	0	82,932	0	146,097	8,752	154,849
Deputy Chief Constable	139,678	0	0	0	139,678	0	139,678
Assistant Chief Constable	123,126	0	0	0	123,126	38,169	161,295
Assistant Chief Constable	121,345	0	0	0	121,345	37,617	158,962
Assistant Chief Officer	118,383	0	0	0	118,383	23,423	141,806
Head of Procurement ²	46,071	0	65,307	0	111,378	9,342	120,720
Chief Superintendent	104,265	0	0	141	104,406	30,533	134,939
Chief Superintendent	100,498	0	0	0	100,498	30,766	131,264
Chief Superintendent	99,746	0	0	0	99,746	29,543	129,289
Chief Superintendent	99,714	0	0	0	99,714	29,543	129,257
Chief Superintendent	97,398	0	0	0	97,398	28,920	126,318
Chief Superintendent	97,266	0	0	0	97,266	28,867	126,133
Head of Legal Services	96,944	0	0	0	96,944	19,680	116,624
Head of People Services	90,911	0	0	0	90,911	18,451	109,362
Head of Finance	90,894	0	0	0	90,894	18,451	109,345
Head of IT	88,960	0	0	0	88,960	18,059	107,019
Head of Facilities	85,589	0	0	0	85,589	17,297	102,886
Head of Planning & Performance	85,209	0	0	0	85,209	17,297	102,506
Head of Comms	81,639	0	0	0	81,639	16,573	98,212
Assistant Chief Constable ³	73,818	0	0	0	73,818	22,341	96,159
Head of Strategic Change ⁴	76,317	0	0	0	76,317	9,880	86,197
Head of Fleet	68,761	0	0	0	68,761	13,959	82,720

¹ Left November 2023, ² Retired January 2024, ³ Left October 2023, ⁴ Left October 2023

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	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£nil - £40,000	0	0	17	1	17	1	£414,050	£23,437
£40,001 - £60,000	0	0	2	0	2	0	£97,845	£0
£60,001 - £150,000	0	0	7	3	7	3	£646,345	£261,707
£150,000+	0	0	3	3	3	3	£518,303	£601,311
Total	0	0	29	7	29	7	£1,676,544	£886,455

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 the Business Interests of Officers and Staff.

In the Chief Finance Officer's opinion there are no material transactions recorded between the Office of the Police & Crime Commissioner or the Constabulary and any related parties.

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

Material transactions with other public bodies such as the Borough Councils and the Cheshire Pension Fund have been disclosed within the Comprehensive Income and Expenditure Account and the Cashflow Statement. Separate specific disclosures have also been made in relation to partnerships and collaborations in Note 10.

Ammunition is held in stock on behalf of both the Constabulary and the Armed Police Alliance which is a collaboration between Cheshire Constabulary and North Wales Police, please see Note 10.

There are no other related party transactions to report.

14. Employee Benefits

Termination Benefits

The Commissioner and Chief Constable terminated the contracts of 29 employees in 2024/25 incurring liabilities of £1.677m (£0.886m in 2023/24). 21 of these relate to service efficiencies as a result of thematic reviews with 8 being the result of the ending of a collaboration with partner forces paying a share of costs.

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 25.
- 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 2023/24). 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>	2024/25			2023/24		
	IAS19	Adjs	IFRIC14	IAS19	Adjs	IFRIC14
	£000	£000	£000	£000	£000	£000
Net Interest Expense: reversal of IFRIC14 prior year	3,067	(3,028)	39	1,945	(1,950)	(5)
Asset Ceiling:						
Reversal of IFRIC14 prior year		65,467			43,011	
IFRIC14 current year		(117,023)			(62,439)	
<i>Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>	49,813	(51,556)	(86,638)	19,636	(19,428)	208
Net liability arising from defined benefit obligation	117,023	(117,023)	0	62,439	(62,439)	0

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	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<i>Cost of Services:</i>												
• Current Service Costs	(9,803)	(10,886)	0	0	0	0	(16,980)	(15,990)	(610)	(550)	(27,393)	(27,426)
• Past Service Costs	0	0	0	30	0	0	0	0	0	0	0	30
• Settlements & Curtailments	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financing and Investment Income & Expenditure:</i>												
• Net Interest Expense	3,042	1,929	(72,120)	(71,140)	(2,690)	(2,520)	(9,860)	(8,180)	(1,580)	(1,670)	(83,208)	(81,581)
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	(6,761)	(8,957)	(72,120)	(71,110)	(2,690)	(2,520)	(26,480)	(24,170)	(2,190)	(2,220)	(110,601)	(108,977)
<i>Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>												
• Return on plan assets (not included in net interest expense)	(12,562)	5,293	0	0	0	0	0	0	0	0	(12,562)	5,293
• Actuarial Gains and Losses arising from changes in demographic assumptions	546	1,950	1,530	0	180	0	980	0	210	0	3,446	1,950
• Actuarial Gains and Losses arising from changes in financial assumptions	58,618	21,829	154,320	9,260	11,490	(20)	43,320	3,440	4,070	1,900	271,818	36,409
• Other	2,805	(9,597)	0	0	0	0	0	0	0	0	2,805	(9,597)
<i>Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement</i>	49,407	19,475	155,850	9,260	11,670	(20)	44,300	3,440	4,280	1,900	265,507	34,055

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	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£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 	6,761	8,957	72,120	71,110	2,690	2,520	26,840	24,170	2,190	2,220	110,601	108,977
Actual expenditure met from council tax through the General Fund												
<ul style="list-style-type: none"> Employer's contributions payable to the scheme 	11,946	11,583	73,710	72,870	190	70	(11,370)	(9,480)	2,960	2,930	77,436	77,973

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	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Present value of defined benefit obligation	(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)
Fair value of plan assets	388,432	375,094	0	0	0	0	0	0	0	0	388,432	375,094
Sub-total	117,498	63,362	(1,397,360)	(1,554,800)	(47,530)	(56,700)	(187,410)	(193,500)	(29,460)	(34,510)	(1,544,262)	(1,776,148)
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	117,498	63,362	(1,397,360)	(1,554,800)	(47,530)	(56,700)	(187,410)	(193,500)	(29,460)	(34,510)	(1,544,262)	(1,776,148)

#1 IFRIC 14 applies, please refer to the section on page 50 for details

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

	Local Government Pension Scheme	
	2024/25	2023/24
	£000	£000
Opening fair value of scheme assets	375,094	345,977
Interest income	18,358	16,601
Re-measurement gain/(loss)		
▫ The return on plan assets, excluding the amount included in the net interest expense	(12,562)	5,293
▫ Other	0	0
The effect of changes in foreign exchange rates	0	0
Contributions from employer	11,946	11,583
Contributions from employees	3,693	3,561
Benefits paid	(8,093)	(7,921)
Assets extinguished on settlements	0	0
Other	0	0
Closing fair value of scheme assets	388,436	375,094

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			
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Opening balance at 1 April	(311,732)	(303,818)	(1,554,800)	(1,565,820)	(56,700)	(54,230)	(193,500)	(163,290)	(34,510)	(37,120)	(2,151,242)	(2,124,278)
Current service cost	(9,803)	(10,886)	0	0	0	0	(16,980)	(15,990)	(610)	(550)	(27,393)	(27,426)
Interest cost	(15,316)	(14,672)	(72,120)	(71,140)	(2,690)	(2,520)	(9,860)	(8,180)	(1,580)	(1,670)	(101,566)	(98,182)
Contribution from scheme participants	(3,693)	(3,561)	0	0	0	0	(13,560)	(11,680)	0		(17,253)	(15,241)
Re-measurement gains/(losses)												0
Actuarial gains/losses arising from changes in demographic assumptions	546	1,950	1,530	0	180	0	980	0	210	0	3,446	1,950
Actuarial gains/losses arising from changes in financial assumptions	58,618	21,829	154,320	9,260	11,490	(20)	43,320	3,440	4,070	1,900	271,818	36,409
Other	2,805	(9,596)	0	0	0	0	0	0	0	0	2,805	(9,596)
Past service costs	(452)	(899)	0	30	0	0	0	0	0	0	(452)	(869)
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	8,093	7,921	73,710	72,870	190	70	2,190	2,200	2,960	2,930	87,143	85,991
Liabilities extinguished on settlements	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance at 31 March	(270,394)	(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)

Local Government Pensions Scheme assets comprised:

	Fair value of scheme assets	
	2024/25 £000	2023/24 £000
Cash and cash equivalents	3,391	4,296
Equity instruments: <i>by industry type</i>		
• Consumer	1,889	1,814
• Manufacturing	1,765	1,890
• Energy and utilities	0	0
• Financial institutions	377	392
• Health and care	802	690
• Information technology	12,957	12,561
• Other	1,408	974
Sub-total equity	19,197	18,320
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	28,777	26,301
• Overseas	495	503
Sub-total property	29,272	26,803
Private equity:		
• All	25,640	25,491
Sub-total private equity	25,640	25,491
Other investment funds:		
• Equities	114,065	108,257
• Bonds	145,790	141,793
• Hedge Fund	25,641	26,650
• Infrastructure	7,277	6,118
• Other	18,158	17,365
Sub-total other investment funds	310,932	300,183
Derivatives:		
• All	0	0
Total Assets	388,432	375,094

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 2022.

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 2025, 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	
	2024/25	2023/24	2024/25	2023/24
<u>Mortality assumptions:</u>	Yrs	Yrs	Yrs	Yrs
Longevity at 65 (police), 65 (LGPS) for current pensioners:				
Men	20.6	20.7	21.9	21.9
Women	23.6	23.7	23.9	23.6
Longevity at 65 (police), 65 (LGPS) for future pensioners:				
Men	21.5	21.6	23.3	23.6
Women	25.4	25.5	25.2	25.1
<u>Other assumptions:</u>	%	%	%	%
Rate of Inflation – RPI / CPI	3.10/2.75	3.10/2.75	2.7	2.6
Rate of increase in salaries – Long Term/Short Term	6.45	6.45	3.45	3.85
Rate of increase in pensions	2.75	2.75	2.7	2.6
Rate of CARE revaluation	-	-	3.95	3.85
Rate of commutation allowance	65	65	0	0
Rate for discounting scheme liabilities	5.8	4.85	5.65	4.75

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	5,715	-6.5	(90,000)	-12.5	(6,000)	-12.5	(23,000)	-9.0	(3,000)
0.5% increase in salary increase	0.0	258	1.0	11,000	6.5	3,000	0.0	0	2.5	1,000
0.5% increase in pension increase	2.0	5,616	6.0	87,000	8.5	4,000	15.0	28,000	7.5	2,000
1 year increase in life expectancy	4.0	10,983	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 2025.

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 2022/23, the weighted average duration of the defined benefit obligation for scheme members is 15 years (Police Pension 1987); 31 years (Police Pension 2006); 30 years (Police Pension 2015).

15. Notes Relating to the Police Pension Fund

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 27.

The Police Pension Fund account on page 25 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.

	2024/25	2023/24
	£000	£000
Chief Constable	54	48
Additional Fees for 2023/24	5	
Additional fees for 2022/23 paid to Grant Thornton in 2023/24		11
	59	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 Xx June 2025 for release to audit. On Xx xxxx 2025 the audited accounts were signed and released for publication.

ANNUAL GOVERNANCE STATEMENT 2024/25

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 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 and always has been, a key corporate document in Cheshire, which provides an accurate representation of the corporate governance arrangements and controls in place that have supported the 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 2025 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 decision-making body for the Constabulary.

- 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 2024/25 inflationary pressures have continued to affect pay and prices 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 2024/25 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 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 Commissioner, Chief Constable, their respective chief finance officers (CFO) and their professional colleagues in the leadership team. Both CFOs are professionally qualified and are members of their respective leadership teams. Senior finance and leadership representatives sit on all key decision-making boards (e.g., Change Board and Programme Board).
- 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 2024/25 and the revised documents were signed off at Joint Management Board on 9th May 2024. 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 June 2024). 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 review was completed in 2024/25 and results have been published [Cheshire PEEL Assessment 2023–2025 - His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services](#)

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 below:



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.
- 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 2024/25.

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 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.
- 6.3 In January 2025, the consultation on the Commissioner's precept proposal received 1,703 responses and 67% supported raising the precept at least in line with the Commissioner's eventual proposal.
- 6.4 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 2024/25 there were 25,170 responses provided from across the Force area which were used to inform local operational priorities.
- 6.5 The Constabulary also undertakes telephone surveys of a number of victims to gather feedback and inform service improvement. In 2024/25 92 surveys were conducted of this nature.
- 6.6 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.pdf](#) (August 2024). 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 aspect of policing. Performance data can be found on the Commissioner's website [Scrutiny \(cheshire-pcc.gov.uk\)](https://www.cheshire-pcc.gov.uk/scrutiny).
- 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 SLT 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 SLT 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 now have an additional 330 as part of the original police officer uplift programme (PUP), with a further 15 PUP officers joining in 2024/25 in addition to the usual recruitment programme. The Constabulary continues to invest in the skills of its workforce, including areas such

as detective training to ensure resilience and future capacity. Cheshire has fully met their national Police Officer Uplift target. Officer numbers are subject to scrutiny on a regular basis and returns are submitted to the Home Office quarterly.

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 2024/25, 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 the Strategic Command Team (SCT) 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 collectively by the Constabulary's Senior Command Team and the Joint Management Board. 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 2024/25 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 Principal Governance and Compliance Officer 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. This information is shared publicly on the PCC's website.
- 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, the Independent Advisory Group (IAG) which advises on all aspects of equality and diversity; the Independent Ethics Panel which considers ethical issues in policing and the Community Cohesion Group (CCG) which reviews policies and procedures and provides advice on ways to improve service delivery to all communities.
- 12.4 Assurance was provided on 2023/24 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 2024 to 31st March 2025 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.
- 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 2024/25

- 13.1 Within the 2023/24 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 2024/25.

Action 1: Budget and Medium-Term Financial Strategy – Considering the current medium-term financial strategy position, known pressures and potential risks around funding, root and branch reviews and the priority-based budget process will be particularly important and potentially difficult in 2024/25. As such these processes will be mapped out early in 2024/25 and a JAAC single point of contact (SPOC) has been assigned to assist in this and to feedback to JAAC meetings. (Owner: OPCC and Constabulary s151 Officers).

Update: - The thematic reviews were mapped out and undertaken as part of the 2024/25 priority-based budgeting process with assistance from the JAAC SPOC for the thematic review. The results of the reviews were incorporated into the budget savings of £6.3m and were also reported to the JAAC at their meeting on 27th November 2024

Action 2: Constabulary HQ Public Finance Initiative (PFI) – The PFI contract for Constabulary HQ is due to end in 10 years' time (2034). Whilst this seems like a long time away, good practice suggests that preparations ideally need to be started at this point. A PFI board has been established and actions will be taken during 2024/25 to ensure Cheshire are fully prepared for the contract end. (Owner: Assistant Chief Officer)

Update: Work is progressing to plan, with a focus on aligning to national plans and better understanding our resourcing requirements. The PFI project board meet regularly and we are still on track for delivery of all elements of work required by the end of the contract. Looking at the national picture, Cheshire are ahead of the curve and will take account of lessons learned by PFI projects which have already ended.

14. Areas for Action in 2025/26

- 14.1 The governance framework, internal controls and application of the principles have been reviewed during 2024/25 with the following areas highlighted as risks together with the mitigating actions required.
- 14.2 **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 the Strategic Change Team (SCT) 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)

14.3 **Action 2: Ransomware** – Ransomware 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)

15. Summary

- 15.1 We are satisfied that the governance framework and arrangements in place during 2024/25 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.