



Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH

**STATEMENT OF
ACCOUNTS 2023/24**

**CAMBRIDGESHIRE POLICE AND CRIME
COMMISSIONER
STATEMENT OF ACCOUNTS
2023/24**

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Preface by the Police and Crime Commissioner for Cambridgeshire

Introduction to the 2023/24 Statement of Accounts by Darryl Preston, the elected Police and Crime Commissioner for Cambridgeshire and Peterborough.

My Police and Crime Plan was published in November 2021 following consultation with the public and partner organisations.

The Office of the Police and Crime Commissioner (OPCC) led or significantly supported a number of bids for additional funding bringing much needed extra funds of £2,060,948 into the County. The Domestic Abuse Perpetrator fund brought in additional funds of £374,849 for interventions and support for victims of domestic abuse and stalking. We were awarded a grant for Safer Streets Round 5 of £465,000 for three bids focussing on Peterborough, Cambridge and the market towns of Wisbech, Huntingdon and St Neots. Additional funding was secured for independent sexual violence advisors and independent domestic abuse advisors until March 2025 with £573,017 in 2023/24. The OPCC also successfully bid for community based domestic abuse and sexual violence support and were awarded £295,887. We were also awarded a grant of £352,195 towards implementing the new Serious Violence Duty.

The national uplift programme continued and Cambridgeshire welcomed 106 new officers in 2023/24, 24 over the Uplift target. As at 31 March 2024 the number of actual police officers in Cambridgeshire was 1,774 (1,743 FTE).

As part of the police grant settlement offered by government, I increased the policing element of Council Tax for 2024/25 by £12.96 per Band D property, or 25 pence per week. I continue to lobby government for fairer funding for Cambridgeshire and Peterborough.

A balanced budget for 2024/25 was therefore achieved following the funding settlement from the government and the local precept provided by our community. Over the next two years, strong financial management is still required in order to create sustainable police resourcing that continues to keep our communities safe.

I would like to thank everyone who worked with and supported me during the year. I am enormously appreciative of the talent and energy given by so many in keeping the people of Cambridgeshire and Peterborough safe.

Narrative Statement by the Chief Finance Officer

Message from the Chief Finance Officer – Phil Trussell

Cambridgeshire and Peterborough consists of the six local authority areas of Peterborough City Council, Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire, covers 1,311 square miles and has a mixture of both urban and rural areas.

The County has a population of just over 894,300 (Office for National Statistics 2021) and Cambridgeshire and Peterborough was the 27th largest of the forty three forces in England and Wales by number of police officers (Government Statistics for Police Workforce September 2022).

The Force is divided into two policing districts and has central departments that provide specialist support services such as the Operational Support Unit and Crime Services which deal with threats posed by public disorder, Firearms, Child Abuse and Organised Crime whilst being responsible for the planning around civil emergencies. These services, whilst less visible than front line policing, are integral to meeting the PCC's strategic policing priorities and the Constabulary's.

The OPCC and Force finance departments continue to work together to produce financial information which is of high quality, accurate, relevant and up to date to the various stakeholders. 2023/24 has continued to be challenging due to economic circumstances, in particular inflationary pressures, and due to the low relative funding position of Cambridgeshire. The year end process has continued to be streamlined and completed within the statutory deadline.

The Chief Constable and Constabulary Director of Finance and Resources and their staff continue to do an excellent job in managing the Constabulary budget in a professional and robust manner.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It therefore aims to provide information so that members of the public, partners, stakeholders and other interested parties can:

- Understand the overarching financial position of the PCC and Group;
- Have confidence that the PCC has used and accounted for public money in an appropriate manner; and
- Take assurance that the financial position of the PCC and Group is sound and secure.

This report provides information about the performance of the Cambridgeshire PCC, both financially and in delivering other objectives, including the key issues affecting the PCC and Group and their accounts. Further information on our performance for 2023/24 can be found in the Annual Report 2023/24. The narrative statement also provides a summary of the financial position as at 31 March 2024 and is structured as follows:

1. Explanation of the PCC and Group
2. Financial Performance
3. Non-Financial Performance
4. Outlook and Medium Term Financial Strategy
5. Statement of Accounts 2023/24

Readers of our final accounts and the subsequent external audit opinion should be aware of the impact that the national audit backlog has had on all public sector organisations. The lack of capacity of the previous Government appointed auditors has meant that the financial statements for 2021/22 and 2022/23 were not audited despite being prepared by the Constabulary and PCC.

As part of the reset of the audit system, the accounts for those two prior years have received a disclaimed opinion from the appointed auditor BDO, as they have not carried out any audit work on the financial statements. As a direct consequence, a disclaimed opinion has also been received on the 2023/24 financial accounts from our new auditors KPMG. Readers of our published accounts should be confident that the internal controls, governance and assurance over our financial reporting are not diminished in any way due to this external audit situation that has been beyond our control.

1. Explanation of the PCC and Group

This Statement of Accounts sets out the financial position of the Police and Crime Commissioner for Cambridgeshire and the Chief Constable of Cambridgeshire (herein referred to as “the Group”) for the year ended 31 March 2024.

The Police and Social Responsibility Act 2011 created both Commissioners and Chief Constables as legal entities (corporations sole) in their own right, with the Chief Constable of Cambridgeshire Constabulary being responsible for the operational policing of Cambridgeshire.

One of the Police and Crime Commissioner’s duties is to hold the Chief Constable to account in order to secure the maintenance of an efficient and effective police force. Therefore, for accounting purposes, the Cambridgeshire Police and Crime Commissioner is the parent entity of the Chief Constable of Cambridgeshire Constabulary and together they form “the Group”.

As the parent, the Police and Crime Commissioner guarantees any outstanding liabilities of the Chief Constable who is classified as a 100% subsidiary.

Local control arrangements have influenced the setting of the accounting policies, such that all income, working capital, cash balances, property, plant and equipment are included in the Police and Crime Commissioner’s and Group Accounts only, and that the Police and Crime Commissioner provides the Chief Constable with an annual devolved budget for the delivery of the policing service.

The statement of accounts has been produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) and the publication of the Statement is required under the Accounts and Audit Regulations 2015.

The Chief Constable has produced a separate set of accounts which explains how the resources provided by the PCC have been used to deliver operational policing services.

2. Financial Performance

The 2023/24 Police Finance Settlement was announced in December 2022 with the Government increasing the grant by £5.2m to £103.1m (£97.9m in 2022/23).

The 2023/24 Medium Term Financial Strategy (MTFS) was approved by the PCC on 23 February 2023 at the Business Coordination Board, which included the revenue and capital budgets for 2023/24.

The 2023/24 Finance Settlement again specifically provided greater flexibility to PCCs to raise their precept by an amount equivalent to £15 on a Band D property. The PCC proposed that the council tax precept for 2023/24 be increased by £14.94 for Band D properties, in accordance with the funding assumptions set by the Home Office. This represented an increase of 5.8% and produced a Band D council tax of £272.52 (£257.58 in 2022/23). The Police and Crime Commissioner approved a budget of £178.2m with a reported out-turn of £177.5m.

The out-turn variance for the year for the budgets reported under the control of the Chief Constable was an underspend of £5.4m. Including those budgets reported under the control of the Office of the PCC, the Group reported a net underspend of £0.7m.

Local Policing Investigations and Safeguarding underspent by £567k in two main areas during 2023/24: Investigations Standards and Development (£315k under budget) and Protecting Vulnerable People (£463k under budget). In contrast the Intelligence and Specialists Crime Department (ISCD) ended the year £202k over budget. Officer pay, allowances and overtime across the Department were over budget. However, these costs were offset by staff pay and allowances being under budget and additional grant funding for Operation Safeguard being received during the year.

Local Policing Operations overspent by £1.7m for the year. The department consists of the geographic policing hubs in the north and the south, the Demand Hub, Operational Support, Business Support, local policing command and new recruits.

The combined position across all areas of local policing was a £2.5m overspend on police officer pay and allowances plus an overspend of £0.9m generated from unbudgeted overtime to meet demand. Police Community Support Officers (PCSOs) and police staff costs both underspent, which has partially offset the position for officer costs. Across the department, there have been other smaller over and under spends on non-pay budgets, many of which are in the Business Support unit. Additional funding received of £149k to implement rapid video response in the demand hub also helped to reduce the departments overspend.

The People and Professionalism department incurred an overspend of £145K for the year. This was mainly due to police officer pay, allowances and overtime during the year. There were small overspends on non-pay elements of the budget such as publicity, travel and subsistence, and conference fees. The under recovery of £90k of budgeted income has also contributed to the overspend. In contrast police staff pay and allowances were under budget due to the unit being under strength during the year, which partially offset the departments overspend.

The non-operational budgets consist of several service areas the cumulative impact of which is a £5.8m underspend at year end.

Corporately managed budgets underspent by £4.5m, with the majority relating to the recognition of the in-year Home Office pay award grant totalling £3.4m with the associated officer and staff pay reported on relevant pay lines in the budget. Similarly, the budget included a £599k pay award contingency held corporately that was released once the pay award was confirmed, this also offsets the pay costs reported on the pay lines.

Expected forensic services contractual increases anticipated did not materialise generating a £395k underspend. A corporate inflation budget to meet contractual pressures from the high level of inflation was not required resulting in a £550k underspend. Other variances over budget were incurred on injury pensions, consultancy and legal costs, the financial system upgrade and the release of an unrequired legal provision.

The Estates Service ended the year with an out-turn of £1m below budget, predominantly due to an underspend on gas, electricity, and water costs, which began saw reductions during the year generating the underspend against the utilities budget set. Other smaller budget variances largely netted off.

Fleet costs were under budget by £369k due to lower fuel costs, lower insurance premiums and reduced claims handling costs.

Other corporate services including Legal, the National Police Chief's Council budget and operations managed corporately had smaller overspends.

The tri-force collaboration between Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary (collectively BCH), underspent during the year. Cambridgeshire's share of the underspend was £793k. The main variances were:

- A pay award contingency budgeted locally by Cambridgeshire of £232k that was released during the year offsetting the higher pay award costs across all units.
- ICT which underspent by £912k due to Airwave credits following the Competition and Markets Authority price cap being implemented, staff and

officer pay and allowances underspends, non-pay budget underspends through contract management and project slippage.

- Human Resources and Learning and Development ended the year £249k under budget. Staff and officer pay and allowances, agency staff costs and non-pay budgets were under budget. These were offset by overspends on overtime and training materials.
- The Delivery Management Office (now the Joint Strategy and Transformation team) underspent by £112k mainly due to officer and staff vacancies as the unit was restructured during the year.
- An overspend in the Professional Standards Department of £375k due to additional resourcing for vetting staff, overtime costs and the costs for disciplinary hearings and associated legal costs.
- Armed Policing being £119k over budget resulting from overtime costs, a shortfall in the budget for a training inspector and six new officers starting in the unit which were not originally forecast..
- Roads Policing incurring a £138k overspend because of the change in legislation relating to dangerous dogs driving higher kennelling costs.
- Protective Services Command ending the year £124k over budget due to the costs incurred on the Firing Range project which didn't achieve planning approval.

Collaborations other than through BCH ended the year close to budget with a total underspend reported of £73k.

An additional revenue contribution to capital outlay (RCCO) of £1.96m was approved during the year by the PCC to reduce planned borrowing and therefore the revenue impacts from interest costs and the minimum revenue provision in future years. Interest receivable from cash investments ended the year with £1.2m more income received than forecast in the budget.

Additional contributions to reserves were approved by the PCC for the year. These were to cover:

- The purchase of the new model T10 tasers at £1.3m due to be accredited in 2024/25.
- New estates projects for the development of personal safety training facilities (£550k) to meet the updated guidance and to convert the old kitchen at HQ to a wellbeing and breakout space (£100k).
- Costs anticipated at £250k for the national policing response to the Bates versus the Post Office matter.
- A S31 grant of £206k from the Home Office transferred to the budget assistance reserve.
- A transfer of £338k to the Emergency Services Mobile Communication Programme (ESMCP) reserve being the underspend due to credits received from Airwave Services Limited to provide funding if the Competition and Markets Authority price cap is successfully challenged in the courts.

- A transfer of £367k to the Forensics reserve, which is held on behalf of the NPCC National Forensics portfolio.
- Based on Actuary advice, £846k has been transferred to reserves and £539k has been increased to the provision in the accounts relating to the Insurance fund audit report.

PCC Revenue Budget and out-turn 2023/24 summary of revenue position

	Budget £000	Out-turn £000	Variance* £000
Office of the PCC	1,327	1,224	(103)
Partnership and commissioning	(2,922)	(2,736)	186
Capital Financing	3,061	7,690	4,629
Other	(8)	(5)	3
Budgets under the control of the PCC	1,458	6,173	4,715
Chief Constable	176,702	171,311	(5,391)
Total Group Expenditure	178,160	177,484	(676)

*As the PCC holds all fixed assets, capital financing is required to be shown under the PCC costs. In substance the adverse variance reported represents a transfer of cost from the Chief Constable to cover the capital programme during the year in order to minimise borrowing required and should be taken in conjunction with the favourable variance reported under the PCC.

Reconciliation of out-turn to Net Expenditure Chargeable to the General Fund Balance (Expenditure and Funding Analysis Statement page 21)

	£000
Reported Underspend	(676)
Revenue related reserve contributions	(3,677)
Collaborated Fleet contribution to capital	(540)
Capital Related reserve contributions	1,339
Deficit on Provision of Services	(3,554)

Funding

The PCC budget is funded from a combination of government grant and council tax (precept), as set out in the table below

The Commissioner has responsibility for the totality of policing and owns the overall budgets, assets, income and reserves. The Commissioner also aims to ensure that the

Chief Constable has the resources needed to deliver an efficient and effective policing service.

Taxation and Non -Specific Grant Income (refer to note 15 Accounting Statements)

	2023/24	2022/23
	£000	£000
Police Grant	59,623	59,416
Precepts	82,304	76,389
Home Office Local Government Funding	29,284	29,182
Localised Council Tax Support	4,822	4,822
Council Tax Freeze	1,702	1,702
Capital Grants	10	320
Pension Top up Grant	1,398	1,398
Total Core Funding Grants	179,143	173,229

Capital 2023/24

The capital out-turn is £9,987k , significantly under budget due to slippage on capital projects relating to the estate.

The summary capital programme is shown in the table below along with how it was financed.

2023/24 Capital Programme and Financing

The tables below show the capital budget and out-turn and the agreed funding.

Capital Spend by Type and Funding (including approved budget carried forward from prior year)

	Original 2023/24 Capital Programme £000	Carry Forwards £000	Authorised Programme Amendments £000	2023/24 Capital Budget £000	Out-turn 2023/24 £000	Variance to Budget £000
Capital Payments:-						
Land & Buildings	17,163	445	47	17,655	4,906	(12,749)
Fleet	2,457	-	68	2,525	2,348	(177)
IT & Communications	3,233	323	(47)	3,509	2,224	(1,285)
Other Projects & Collaboration	195	-	58	253	509	256
Approved subject to further business case	250	-	-	250	-	(250)
TOTAL	23,298	768	126	24,192	9,987	(14,205)

	£000	£000	£000	£000	£000	£000
Capital Financing:-						
Capital Grants	187	-	(186)	1	10	9
Carry Forward Reserve	-	768	-	768	702	(66)
Capital Reserve	-	-	-	-	-	-
RCCO/POCA Reserve	1,500	-	1,578	3,078	3,661	583
Vehicle Recharge Reserve RCCO	440	-	-	440	540	100
Uplift	-	-	17	17	17	-
Fleet Reserve	-	-	211	211	50	(161)
Borrowing	21,171	-	(1,494)	19,677	5,007	(14,670)
TOTAL	23,298	768	126	24,192	9,987	(14,205)

Other Financial

The PCC commissions and funds services via grants and contracts where there is a statutory responsibility and in support of the delivery of the PCC's Police and Crime Plan. The gross commissioning budget for 2023/24 was £5.2m of which, £4.9m was funded externally. It is also recognised that the most effective way to deliver certain aspects of the Police and Crime Plan is through partnership with other organisations with examples such as the six community safety partnerships providing additional capacity in the form of a problem-solving post in each area that enables them to work

with communities and local partners to resolve local issues such as anti-social behaviour, fly-tipping and road safety.

Commissioning examples and funding can be found on the PCC's website here [Commissioning and grants \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk) and in the Annual Report.

Reserves

After the impact of revenue and capital spending and funding detailed above, the usable reserves of the PCC are £27.1m as detailed in the table. Of these, £10.2m relates to the general reserve which is held primarily as a contingency for the cost of major police operations. This represents 5.0% of the net budget requirement for 2024/25 which is considered a prudent percentage of the total budget to hold as a general reserve for operational contingencies.

The purpose of the reserves is detailed in note 12.

Usable Reserves as at 31 March 2024

	1 April 2023	Increase to reserve	Reserve utilisation	31 March 2024
	£000	£000	£000	£000
Carry Forward Projects Reserve	2,110	1,740	(2,110)	1,740
Insurance Reserve	1,410	847	-	2,257
Ill-Health Retirement Reserve	398	-	-	398
Prevention and Early Intervention Reserve	419	26	(37)	408
Budget Assistance Reserve	3,818	945	-	4,763
Uplift Reserve	30	-	(30)	-
Capital Carry Forward Reserve	768	617	(702)	683
Asset Incentivisation Reserve	444	301	(165)	580
Road Casualty Reduction & Support Fund	818	-	(255)	563
Collaboration & Commissioning Reserve	531	103	-	634
Estates Development Reserve	-	650	-	650
Major Incident Victim Support	25	-	-	25
Collaborated Property Maintenance Fund	132	14	(37)	109
ESMCP Reserve	529	338	-	867
Pension Reserve (McCloud & Revaluation Smoothing)	250	-	-	250
Sustainability Reserve	455	-	-	455
Crime Reduction & Prevention Reserve	501	-	-	501
Council Tax Fraud Initiative Reserve	109	-	-	109
Council Tax Support Fund	955	-	(558)	397
Fleet Reserve (revenue and capital)	384	-	(50)	334
NPCC Forensic Reserve	-	367	-	367
Taser Reserve	-	1,300	-	1,300
Op Olympus	-	250	-	250
Total Earmarked Reserves	14,086	7,498	(3,944)	17,640
General Reserve	9,446	-	-	9,446
Total General and Earmarked Reserves	23,532	7,498	(3,944)	27,086
Capital Receipts Reserve	77	2	(2)	77
Total Usable Reserves	23,609	7,500	(3,946)	27,163

3. Non Financial Performance

In 2021 the PCC set out his plans for the next three years in a new Police and Crime Plan. This is centred around five pillars shown below. The plan sets out clear actions which will be taken in each of these five areas over the period of the plan. The detail of the performance during 2023/24 against each of these key areas can be found in the PCC's Annual Report which can be found on the OPCC website on the following link [Annual Reports \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/annual-reports)

TACKLING CRIME & KEEPING COMMUNITIES SAFE

PUTTING COMMUNITIES FIRST	CRIME PREVENTION	SUPPORTING VICTIMS AND WITNESSES	ETHICAL POLICING	ROBUST ENFORCEMENT
 <p>We will ensure the police and other partners are listening to the public and working with them to act on their concerns and supporting them to assist themselves.</p> <p>From initial contact, to rural and business crime, anti-social behaviour, hate crime and speeding.</p>	 <p>We will work in partnership to understand and tackle the root causes of crime and serious violence through early intervention and rehabilitating people who have offended, while reducing opportunities for people to commit crime.</p>	 <p>We will protect vulnerable people and ensure victims and witnesses are placed at the heart of the criminal justice system, commissioning services to support them.</p> <p>We will recognise every victim's experience is different and will provide a quality service which maintains their trust and confidence in the criminal justice system.</p>	 <p>We will ensure the police act with integrity and social responsibility, promoting a culture that is inclusive, diverse and takes equality seriously.</p> <p>From how they interact with the public they serve, to environmental sustainability.</p>	 <p>We will ensure the police and other partners such as courts, prosecutors, probation and local authorities are using criminal justice and other enforcement processes effectively to keep Cambridgeshire and Peterborough safe.</p>

4. Outlook and Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) for the period 2024/25 to 2027/28, including the revenue and capital budget plans and the reserves strategy, was approved by the PCC on 22nd February 2024. The provisional settlement was in line with the previous Comprehensive Spending Review (CSR) announcement adjusted for police uplift targets and changes to national insurance levies, the overall increase being 6%. The funding settlement continues to be for one year, despite the three year CSR period.

We also receive a pensions grant (£4.7m) and the ringfenced police uplift grant of £4.4m to protect policing numbers. There is no allocation for capital investment, so this has to be funded locally from revenue receipts

The current 2024/25 MTFs can be accessed at the following link: [2024/25 to 2027/28 Medium Term Financial Strategy](#)

(Link Address: [Budget \(cambridgeshire-pcc.gov.uk\)](#))

A high-level summary of the medium term financial plan for the revenue budget is provided below.

	Budget 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000
Total In-House Expenditure	122,993	124,640	127,211	130,561
Net Cost of Police Pensions	22,940	23,743	24,505	25,240
Total BCH Collaboration	41,953	42,928	43,856	44,733
Total Other Collaborations & Partnership	5,744	5,363	5,494	5,619
Constabulary Expenditure	193,630	196,674	201,066	206,153
Total Income	(2,743)	(2,744)	(2,845)	(2,846)
Total Constabulary Budget	190,887	193,930	198,221	203,307
Total OPCC Office Expenditure	1,431	1,719	1,753	1,784
Total Corporate Costs and Grants	(8,540)	(3,882)	(3,682)	(3,532)
Total Capital Financing Costs	4,908	5,823	7,476	7,343
NET BUDGET REQUIREMENT (NBR)	188,686	197,589	203,768	208,902
Financed by:				
Formula Grant	100,740	101,747	102,765	103,793
Uplift Grant (baseline of ringfenced grant)		4,388	4,388	4,388
Precept	87,604	91,454	95,721	100,081
Local Council Tax Earmarked Reserve	397	-	-	-
Contribution (to)/from Reserves	81	-	894	641
Collection Fund - (Deficit) / +Surplus	(136)	-	-	-
TOTAL FINANCING	188,686	197,589	203,768	208,902

There are a significant number of national and government initiatives where costs are borne by individual forces. These areas present a challenge to the MTFs as the implications are out of the Constabulary's control and include:-

- The National Drugs Campaign from Harm to Hope is a 10-year plan to cut crime and save lives. Violence Against Women and Girls (VAWG) is a national agenda in response to crimes of violence, harassment and abuse against women and girls.
- Rape Investigation Standards under a national project were launched in 2023/24 with a set of standards for all forces to comply with by 2025. It aims to standardise how police manage the end-to-end process of investigating rape. Changes to the operating model and hosting arrangements are under consideration by the NPCC.
- Transforming the Forensics Landscape where national programmes such as the Digital Forensics Programme, the introduction of Statutory Codes of Practice with regards to Scientific Activities in October 2023, the advancement of digital redactions tools and work across the forensic marketplace are just some examples where national pressures exist and continue to grow.
- Emergency Services Mobile Communications Programme (ESMCP) is the government's chosen option to replace the Airwave system used for communications between control rooms and the police, fire, and ambulance services. Digital Asset Management System (DAMS) Programme an increasing focus on storing master and working copy data on a secure server, instead of physical media.

In response to these risks, work is already underway for the 2025/26 budget and MTFS refresh. The assumptions underpinning the current MTFS, such as inflation, cost pressures, grant increase and precept funding will be kept under review throughout the year Significant savings proposals are being developed and will be assessed in the coming months as part of the planning cycle.

The PCC is well placed with cash reserves and a strategy to protect these reserves and only use them where essential or for ear-marked purposes. Following the financial planning undertaken for the 2024/25 to 2027/28 MTFS refresh, the revenue budget is in a strong position to manage these uncertainties for the next two years. However, sustainable budget savings need to be identified and are the focus of financial planning to secure a balanced and deliverable MTFS.

Whilst there are financial uncertainties, the PCC is heading into some exciting times as it works with the force to develop the estate, such as the Southern Police Station project and the operational support unit specialist training facilities and firing range facilities. These projects will transform and modernise the policing services for Cambridgeshire and collaborated partners.

5. Statement of Accounts 2023/24

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by His Majesty's Treasury.

The statements reflect the current legislative framework which is central to the Police Reform and Social Responsibility Act 2011. Fundamentally, the PCC is responsible for the finances of the whole Group and controls the assets, the majority of liabilities and the reserves. The PCC receives all income and funding and allocates funding to the Constabulary to deliver an efficient and effective service. In turn, the Chief Constable has a duty to fulfil prescribed functions within the annual budget set by the PCC in consultation with the Chief Constable. A glossary of key terms can be found at the end of this publication.

The Core Statements are:

- **Comprehensive Income and Expenditure Statement:** this shows the cost for the year of providing services. The PCC receives all income which is, therefore, excluded from the Chief Constable's Statement.
- **Movement in Reserves Statement:** this shows the movement of reserves during the year, analysed between usable and unusable reserves. The Chief Constable has no usable reserves. Unusable reserves are those that have been created to reconcile the accounting entries required to comply with the Code with those that must be statutorily charged to the General Fund Balance for council tax setting purposes. These cannot be used to support local expenditure.
- **Balance Sheet:** this sets out the assets, liabilities and reserves of the PCC and Group as at 31 March each year.
- **Cash Flow Statement:** this summarises the movements in cash and cash equivalents during the year. It shows how cash and cash equivalents are used or generated in operating, investing and financing activities. The Supplementary Financial Statements are:
 - **Statement of Accounting Policies:** this sets out details of the accounting policies adopted in compiling the Statement of Accounts.
 - **Police Pension Fund Account:** this sets out the position for the three Police Pension Scheme (1987, 2006 and 2015) Fund Accounts as at 31 March each year.
 - **Annual Governance Statement:** this sets out the governance structures of the organisation and its key internal controls. The Notes to these financial statements provide more detail about accounting policies adopted by the PCC.

The primary financial statements are supported by explanatory notes, including details of the accounting policies adopted by the PCC.

Movement in Reserves Statement (MiRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the PCC, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the PCC's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net decrease line shows the statutory general fund balance movements in the year following those adjustments.

The Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis (EFA) is a disclosure note only to show how the annual expenditure is used and funded from resources (Government grants, council tax and business rates) by the PCC in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the policing services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Comprehensive Income and Expenditure Statement (CIES)

The CIES shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Constabulary receives its funding from the PCC. The PCC receives grant income from central government and raises precept through local government bodies for policing services. The funding is used to cover expenditure in accordance with regulations. This is different from the accounting cost, which will include costs in respect of asset revaluations, movements in pension valuations and other technical accounting entries.

Balance Sheet

The balance sheet shows the value at the 31 March 2024 of the assets and liabilities recognised by the PCC. The net assets of the PCC are matched by the reserves held by the PCC. Reserves are reported in two categories; the first category of reserves are usable reserves, i.e. those reserves that the PCC may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are unusable and includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement at the line entitled 'adjustments between accounting basis and funding basis under regulations'.

The balance sheet position at 31 March 2024 show a net liability of £1,152m as shown below (31 March 2023 £1,100m). At this time, the statutory arrangements for funding the Pension deficit mean that the financial position of the Constabulary continues to remain healthy. The long term liabilities consists of pension liabilities, borrowing of £14.9m and provisions for legal and insurance claims of £2.7m.

Summary Balance Sheet

	31/03/2024
	£m
Long Term Assets	63
Current Assets	35
Current Liabilities	(27)
Long Term Liabilities	(1,223)
Net Liabilities	(1,152)
Usable Reserves	(27)
Unusable Reserves	1,179
Total Reserves	1,152

The Cash Flow Statement

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

Cashflow

	31/03/2024
	£m
Net Cashflows from	
Operating Activities	10.6
Investing Activities	(9.5)
Financing Activities	(0.3)
Net Cashflow	0.8
Cash & Cash Equivalents	
At the beginning of the reporting period	3.8
At the end of the reporting period	4.6

Further information

Further information about the accounts is available from the Office of the Police and Crime Commissioner (OPCC).

The OPCC publishes a number of important documents to inform the public about the work of both the Commissioner and the Constabulary. These can be viewed and downloaded from the Commissioner's website: www.cambridgeshire-pcc.gov.uk.

You can also write to the Chief Executive at:
Office of the Police and Crime Commissioner
PO Box 688
Huntingdon
PE29 9LA
Tel: 0300 333 3456, email: cambs-pcc@cambs.police.uk

Acknowledgements

Accounting regulations and new legislation continue to add further work and complexity to the accounts and I am extremely grateful to the Constabulary's Director of Finance and Resources Jon Lee and the finance team for their hard work in preparing these accounts and their support during the year.



Phil Trussell FCCA
Chief Finance Officer to the Cambridgeshire Police and Crime Commissioner
25 February 2025

Statement of Responsibilities for the Statement of Accounts

The Commissioner's Responsibilities

The Group 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. In this Group, that officer is the Chief Finance Officer;
- manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Group's Statement of Accounts in accordance with 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 has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Local Authority Code.

The Chief Finance Officer has also:

- kept proper accounting records, which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Group at 31 March 2024 and its income and expenditure for the year then ended.

Phil Trussell FCCA



Chief Finance Officer to the Cambridgeshire Police and Crime Commissioner

Darryl Preston



Cambridgeshire Police and Crime Commissioner

25 February 2025

Group Expenditure and Funding Analysis

The Expenditure and Funding Analysis (EFA) is not a primary statement but is of key importance in showing how the annual expenditure is used and funded from resources (Government grants, Council Tax and Precept) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

Net Expenditure Chargeable to the General Fund Balance	2022/23			2023/24		
	Adjustments between the Funding and Accounting Basis Note 8	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis Note 8	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	
166,974	5,933	172,907	Police Services	172,904	(25,609)	147,295
2,724	138	2,862	Corporate, Democratic and Commissioning Services	3,227	6	3,233
169,698	6,071	175,769	Net Cost of Services	176,131	(25,603)	150,528
(173,178)	46,027	(127,151)	Other Income and Expenditure	(179,685)	52,860	(126,825)
(3,480)	52,098	48,618	Deficit on Provision of Services	(3,554)	27,257	23,703
20,052			Opening General Fund Balance	23,532		
3,480			Less Deficit on General Fund in Year	3,554		
23,532			Closing General Fund Balance	27,086		

Police and Crime Commissioner's Expenditure and Funding Analysis

Net Expenditure Chargeable to the General Fund Balance	2022/23	Net Expenditure in the Comprehensive Income and Expenditure Statement		2023/24	Net Expenditure in the Comprehensive Income and Expenditure Statement
	Adjustments between the Funding and Accounting Basis Note 8			Adjustments between the Funding and Accounting Basis Note 8	
£000	£000	£000		£000	£000
(11,047)	(498)	(11,545)	Police Services	(16,727)	(16,480)
2,724	138	2,862	Corporate, Democratic and Commissioning Services	3,227	3,233
194,047	-	194,047	Intra-group Adjustment for financial resources consumed	201,316	201,316
185,724	(360)	185,364	Net Cost of Services	187,816	188,069
(189,204)	150	(189,054)	Other Income and Expenditure	(191,370)	(191,520)
(3,480)	(210)	(3,690)	Deficit on Provision of Services	(3,554)	(3,451)
20,052			Opening General Fund Balance	23,532	
3,480			Less Deficit on General Fund in Year	3,554	
23,532			Closing General Fund Balance	27,086	

Comprehensive Income and Expenditure Statement – Group

2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000		2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
192,678	(19,771)	172,907	Police Services	169,233	(21,938)	147,295
6,088	(3,226)	2,862	Corporate, Democratic and Commissioning Services	7,130	(3,897)	3,233
198,766	(22,997)	175,769	Net Cost of Services	176,363	(25,835)	150,528
157	-	157	Other Operating Expenditure (note 13)	254	-	254
45,921	-	45,921	Financing and Investment Income and Expenditure (note 14)	52,064	-	52,064
-	(173,229)	(173,229)	Taxation and Non-Specific Grant Income (note 15)	-	(179,143)	(179,143)
244,844	(196,226)	48,618	Deficit on Provision of Services	228,681	(204,978)	23,703
		4,679	Surplus on revaluation of Property, Plant and Equipment (note 24)			1,445
		(623,842)	Remeasurement of the net defined benefit liability (note 33)			26,847
		(619,163)	Other Comprehensive Income and Expenditure			28,292
		(570,545)	Total Comprehensive Income and Expenditure			51,995

Comprehensive Income and Expenditure Statement – Police and Crime Commissioner

2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000		2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
8,226	(19,771)	(11,545)	Police Services	5,458	(21,938)	(16,480)
6,088	(3,226)	2,862	Corporate, Democratic and Commissioning Services	7,130	(3,897)	3,233
194,047	-	194,047	Intra-Group Adjustment for financial resources consumed (note 7)	201,316	-	201,316
208,361	(22,997)	185,364	Net Cost of Services	213,904	(25,835)	188,069
157	(16,028)	(15,871)	Other Operating Expenditure (note 13)	254	(11,682)	(11,428)
46	-	46	Financing and Investment Income and Expenditure (note 14)	(949)	-	(949)
-	(173,229)	(173,229)	Taxation and Non-Specific Grant Income (note 15)	-	(179,143)	(179,143)
208,564	(212,254)	(3,690)	Deficit on Provision of Services	213,209	(216,660)	(3,451)
		4,679	Surplus on revaluation of Property, Plant and Equipment (note 24)			1,445
		(1,893)	Remeasurement of the net defined benefit liability (note 33)			37
		2,786	Other Comprehensive Income and Expenditure			1,482
		(904)	Total Comprehensive Income and Expenditure			(1,969)

Group Movement in Reserves Statement

	General Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2022	20,052	1,143	21,195	(1,691,546)	(1,670,351)
Movement in reserves during 2022/23					
Total Comprehensive Income and Expenditure	(48,618)	-	(48,618)	619,163	570,545
Adjustments between accounting basis & funding basis under regulations (note 10)	52,098	(1,066)	51,032	(51,032)	-
Increase in 2022/23	3,480	(1,066)	2,414	568,131	570,545
Balance at 31 March 2023	23,532	77	23,609	(1,123,415)	(1,099,806)
Movement in reserves during 2023/24					
Total Comprehensive Income and Expenditure	(23,703)	-	(23,703)	(28,292)	(51,995)
Adjustments between accounting basis & funding basis under regulations (note 10)	27,257	-	27,257	(27,257)	-
Increase in 2023/24	3,554	-	3,554	(55,549)	(51,995)
Balance at 31 March 2024	27,086	77	27,163	(1,178,964)	(1,151,801)

Police and Crime Commissioner Movement in Reserves Statement

	General Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2022	20,052	1,143	21,195	37,953	59,148
Total Comprehensive Income and Expenditure					
Adjustments between accounting basis & funding basis under regulations (note 11)	3,690	-	3,690	(2,786)	904
Increase in 2022/23	(210)	(1,066)	(1,276)	1,276	-
	3,480	(1,066)	2,414	(1,510)	904
Balance at 31 March 2023	23,532	77	23,609	36,443	60,052
Movement in reserves during 2023/24					
Total Comprehensive Income and Expenditure	3,451	-	3,451	(1,482)	1,969
Adjustments between accounting basis & funding basis under regulations (note 11)	103	-	103	(103)	-
Increase in 2023/24	3,554	-	3,554	(1,585)	1,969
Balance at 31 March 2024	27,086	77	27,163	34,858	62,021

Group and Police and Crime Commissioner's Balance Sheet

	Notes	31 March 2024		31 March 2023	
		PCC £000	Group £000	PCC £000	Group £000
Property, Plant and Equipment	16	61,941	61,941	58,848	58,848
Investment Property		105	105	122	122
Intangible Assets	17	1,191	1,191	1,365	1,365
Long Term Assets		63,237	63,237	60,335	60,335
Short Term Investments	18	5,000	5,000	5,000	5,000
Inventories		1,428	1,428	1,291	1,291
Short Term Debtors	19	23,343	23,343	22,699	22,699
Cash and Cash Equivalents	20	4,546	4,546	3,812	3,812
Current Assets		34,317	34,317	32,802	32,802
Short Term Borrowing	18	(909)	(909)	(348)	(348)
Short Term Creditors	21	(18,379)	(25,613)	(16,096)	(22,089)
Current Liabilities		(19,288)	(26,522)	(16,444)	(22,437)
Long Term Creditors		(43)	(43)	(43)	(43)
Provisions	22	(2,651)	(2,651)	(2,132)	(2,132)
Long Term Borrowing	18	(14,896)	(14,896)	(15,805)	(15,805)
Other Long Term Liabilities	33	1,345	(1,205,243)	1,339	(1,152,526)
Long Term Liabilities		(16,245)	(1,222,833)	(16,641)	(1,170,506)
Net Assets/(Liabilities)		62,021	(1,151,801)	60,052	(1,099,806)
Usable Reserves	23	(27,163)	(27,163)	(23,609)	(23,609)
Unusable Reserves	24	(34,858)	1,178,964	(36,443)	1,123,415
Total Reserves		(62,021)	1,151,801	(60,052)	1,099,806

Group and Police and Crime Commissioner's Cash Flow Statement

	2023/24		2022/23	
	PCC £000	Group £000	PCC £000	Group £000
Net deficit on the provision of services	3,451	(23,703)	3,690	(48,618)
Adjust net deficit on the provision of services for non cash movements (note 25)	7,136	34,290	1,567	53,875
Net cash flows from Operating Activities	10,587	10,587	5,257	5,257
Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(9,251)	(9,251)	(9,571)	(9,571)
Proceeds from the sale of property, plant and equipment	(254)	(254)	212	212
Purchase of Short Term Investments	(5,000)	(5,000)	(5,000)	(5,000)
Proceeds from the Sale of Short Term Investments	5,000	5,000	6,500	6,500
Financing Activities				
Repayments of long term borrowing	(348)	(348)	(587)	(587)
Net increase in cash and cash equivalents	734	734	(3,189)	(3,189)
Cash and cash equivalents at the beginning of the reporting period	3,812	3,812	7,001	7,001
Cash and cash equivalents at the end of the reporting period (Note 20)	4,546	4,546	3,812	3,812

Notes to the Accounts

1. Accounting Policies

The Statement of Accounts summarises the transactions for the 2023/24 financial year and the position at 31 March 2024. The Accounts and Audit Regulations 2015 requires the preparation of an annual Statement of Accounts, prepared in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the 'common needs of most users'
- The underlying assumption that the Group is a going concern and that materiality has been set at the relevant level for the individual entities and the Group
- The following fundamental qualitative characteristics:
 - Relevance; and
 - Faithful representation.
- The following qualitative characteristics:
 - Comparable;
 - Verifiable;
 - Timely; and
 - Understandable.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets. Accounting policies are reviewed annually and have been applied consistently, as appropriate.

Following the passing of the Police Reform and Social Responsibility Act 2011, Cambridgeshire Police Authority was replaced on 22 November 2012 with two 'corporation sole' bodies, the Cambridgeshire Police and Crime Commissioner ('the Commissioner') and the Chief Constable of Cambridgeshire Constabulary ('the Chief Constable'). Both bodies are required to prepare separate Statements of Accounts.

The Financial Statements included here represent the accounts for the Commissioner and also those for the Group. The term 'Group' is used to indicate individual transactions and policies of the Commissioner and the Chief Constable for the year

ended 31 March 2024. The identification of the Commissioner as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the Commissioner under the Police Reform and Social Responsibility Act 2011.

The accounting policies below apply to both the Commissioner and the Group, unless stated otherwise in the heading of the individual policies.

(i) Accruals of Income and Expenditure

Items of income and expenditure are accounted for in the year to which they relate. Payments may be made, or receipts received, in the year prior or subsequent to the current year. This means that all material sums received or receivable during the year are included in the accounts whether or not the cash has actually been paid or received in the year. Adjustments between years are made by way of accruals and prepayments of both income and expenditure. With the exception of payroll-related accruals/prepayments and any accruals/prepayments automatically generated by the accounting system a de-minimis limit of £5,000 is applied for revenue and £10,000 for capital.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date of supplies and their consumption, they are carried as inventories on the Balance Sheet.

Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

All sales and purchase orders are raised in the name of the PCC and monies are paid into their bank account. Therefore, all debtors and creditors sit in the PCC accounts. Fees and charges methodology is per national guidance and as per previous years income in the Chief's accounts is moved into the PCC's accounts at year end.

(ii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

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

(iii) Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the asset used by the relevant service;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the service.

The Group is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the Group in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the revenue contribution in the General Fund Balance (known as the Minimum Revenue Provision) by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

(iv) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Group. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulated Absences Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Group can no longer withdraw the offer of those benefits or when the Group recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement,

appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits relating to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

The Group participates in four defined benefit pension schemes: the Police Pension Scheme (PPS) for police officers in service before 31 March 2006 who are subject to transitional protection, the New Police Pensions Scheme (NPPS) for officers starting service on or after 1 April 2006 who are subject to transitional protection, the Police Pensions Scheme 2015 (PPS 2015) for officers starting service on or after 1 April 2015 and officers formerly members of PPS/NPPS who are not subject to transitional protection, and the Local Government Pension Scheme for Police Staff (LGPS). Pension contributions and further costs that arise in respect of certain pensions paid to retired employees on an unfunded basis are charged to the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement (as appropriate). The Police and Crime Commissioner's Accounts include the cost of providing pensions to the staff under the direction and control of the Commissioner only.

Injury Awards paid under the Police (Injury Benefit) Regulations are disclosed separately. These payments are unfunded and are paid directly by the Group. Injury awards are subject to the same treatment as the Police Pension Schemes, with the movement on the liability being attributable to any change in interest costs and actuarial gains/losses. New injury awards are shown as past service costs in the year which they are made.

The PPS, the NPPS and the PPS 2015 are unfunded schemes and have no attributable assets.

The LGPS is a funded scheme and as such the assets of the scheme are attributable to the Group and are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price;
- Unquoted securities – a professional estimate of fair value;
- Unitised securities – current bid price; and
- Property – market value.

Scheme assets include current assets, such as debtors and cash, as well as the investment portfolio. Accrued expenses and other current liabilities (such as fees payable to fund managers) are deducted from the net asset/liability. All scheme assets are held and monitored by Cambridgeshire County Council LGPS (the administrator); further information can be seen within their Statement of Accounts for 2023/24.

Liabilities largely comprise benefits promised under the formal terms of the pension scheme. Scheme liabilities are measured using the projected unit method. This method

examines all the benefits for pensioners and deferred pensioners and their dependants and the accrued benefits for current members of the scheme, making allowance for projected scheme member earnings.

The change in the net pensions liability is analysed over the following headings:

Current Service Cost

This is the increase in liabilities as a result of years of service earned in the current year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Interest Cost

This is the expected increase in the present value of liabilities accrued during the year as they move one year closer to being paid. Interest cost is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Return on Assets

This is a measure of the estimated return (income from dividends, interest, etc.) on the investments held by the scheme for the year. It is not intended to reflect the actual realised return by the scheme, but an estimate at the beginning of the financial year of the long-term future expected investment return for each asset class. The expected return on assets is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The expected return is based on:

- For quoted corporate or government bonds – application of the current redemption yield at the start of the year to the market value of bonds held; and
- For other assets (especially equities) – application of the rate of return expected for each significant class of assets over the long-term at the beginning of the year to the fair value of assets held.

Actuarial Gains and Losses

This element arises where actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses) or the actuarial assumptions have been updated. For instance, there may have been an unexpectedly high pay award in the year, or new research might alter assumptions about general levels of mortality. Actuarial gains and losses are recognised in the Pension Reserve.

Past Service Costs

These arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years. For instance, if scheme regulations were amended to increase the multiplier derived from years of service applied to final salaries in calculating pensions, total liabilities would rise but the majority of this rise would not

relate to employee activity in the current year. It is therefore presented separately from the Current Service Cost and is charged to Non-Distributed Costs in the Comprehensive Income and Expenditure Statement.

Settlements and Curtailments

These are events that change pension liabilities but are not normally covered by actuarial assumptions.

Settlements are irrevocable actions that relieve the employer of the primary responsibility for pension obligations (e.g. the transfer of scheme assets and liabilities relating to a group of employees moving to another scheme).

Curtailments are events that reduce the expected years of future service of present employees or reduce for a number of employees the accrual of defined benefits for some or all of their future service (e.g. closing a service unit of the Group).

Gains or losses on settlements and curtailments are debited to the Comprehensive Income and Expenditure Statement.

Contributions paid to defined benefit schemes

This is the cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as a separate expense.

Actual amount charged against the General Fund Balance for pensions in the year

Revenue charges in respect of current and past service costs, interest costs and the expected return on assets are reversed in order that actual employer's contributions and retirement benefits payable are recognised in the General Fund Balance. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove notional debits and credits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

(v) Events After the Balance Sheet Date

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

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

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

(vi) Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investing Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. Therefore, for most of the borrowings that the Group has, the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest), and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains or losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investing Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as a part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Group has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or the discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from a Financial Instruments Adjustment Account in the Movement in Reserves Statement.

(vii) Government Grants and Contributions

Government grants and contributions are accounted for on an accruals basis and credited when the conditions for their receipt have been complied with and there is a reasonable assurance that the grant or contribution will be received. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors.

Specific revenue grants are credited within the Net Cost of Services where they are matched with the expenditure to which they relate. Grants to cover general expenditure are credited to the 'Taxation and Non-Specific Grant Income' line in the Comprehensive Income and Expenditure Statement as a source of finance.

Grants and contributions towards property, plant and equipment are credited to the Comprehensive Income and Expenditure Statement once their conditions have been satisfied and then reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

(viii) Intangible Assets

Expenditure on assets that do not have a physical substance but are identifiable and are controlled by the Group (e.g. software) and bring benefits to the Group for more than one financial year, are capitalised in the first year of the project. The balance is amortised to the Comprehensive Income and Expenditure Statement over the economic life of the asset to reflect the pattern of consumption of benefits. In most cases it is assumed that software will have an economic life of 5 years.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Group's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible assets held by the Group meet this criterion, and are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. Therefore, gains and losses are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

(ix) Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the

arrangement. The activities undertaken by the Group in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Group recognises: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

Jointly controlled operations undertaken by the Group are in relation to a pooled budget arrangement with six other eastern forces for the provision of tackling organised crime, in relation to the collaboration agreement with National Police Air Service (NPAS), and in relation to the units collaborated with the Bedfordshire Police and Crime Commissioner/Bedfordshire Police and Hertfordshire Police and Crime Commissioner/Hertfordshire Constabulary (see note 26).

A 7 force Procurement Team covering Cambridgeshire, Bedfordshire, Hertfordshire, Suffolk, Norfolk, Kent and Essex went live in January 2020. Costs are apportioned across the 7 forces.

(x) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis in the accounts, provided that the asset yields benefit to the Group for a period of more than one financial year and the cost of the item can be measured reliably. A de-minimis value of £10,000 for capitalising individual items has been adopted except for expenditure on vehicles which is always recorded on the property, plant and equipment register, and expenditure on computers which should be grouped and recorded on the property, plant and equipment register if the value of the grouped assets exceed the de-minimis value of £10,000.

Where assets are jointly owned between forces we capitalise our share of the asset. A de-minimus value of £10,000 is also applied to our share.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction are included in the Balance Sheet at historical cost;

- Operational land and properties and other operational assets are included in the Balance Sheet at current value. Non-specialised operational properties are valued on the basis of “Existing Use Value” (EUV);
- Non-operational land and properties and other non-operational assets, including any assets surplus to requirements, are included in the Balance Sheet at fair value, estimated at highest and best use from a market participant’s perspective; and
- Land and Buildings that are jointly owned between forces are bought onto our Balance Sheet in line with our agreed % share of the property and revalued on the same basis as our other property.

Assets that are included in the Balance Sheet at current value are revalued where there have been material changes in the value, but as a minimum every five years. In the years between formal valuations, the continuing appropriateness of current values based on the previous valuation is assessed by reference to market trends and professional advice and a desktop assessment is carried out of the higher valued properties. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains or gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to Police Services.

Where decreases in value are identified, the revaluation loss is accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance; or
- Where there is no balance or insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

All valuations are prepared under International Financial Reporting Standards (IFRS) which requires the statement of assets at Fair Value and are in accordance with RICS Valuation – Global Standards. Full Valuations in 2023/24 have been carried out by Chartered Surveyors Montagu Evans and desktop assessments by Gerald Eve.

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance; or
- where there is no balance or insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

Disposal

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are then credited to the Comprehensive Income and Expenditure Statement, netting off the carrying value of the asset at the time of disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as Capital Receipts. These are credited to the Capital Receipts Reserve, and held until applied to finance new capital investment or set-aside to reduce the Group's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The gain or loss on disposal of assets is not a credit or charge against council tax, and is instead appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for all Property, Plant and Equipment assets with a finite useful life, and is calculated using the straight-line method. The value of the asset (less any residual value) is depreciated over its useful life. Where an item of property, plant and equipment comprises two or more major components with substantially different useful economic lives, each component is treated separately for depreciation purposes. A de-minimis value has been adopted for components. Only components which are more than 20% of the value of the asset and are worth over £75,000 will be depreciated separately for assets valued over £300,000. Part provision may be made for newly acquired assets, unless acquired towards the end of the year. No provision is made for non-depreciable land and non-operational assets, or if the charge would be immaterial. Assets are depreciated on the basis shown in the Notes to the Core Statement of Accounts (Note 16 - Depreciation Methodologies). Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable

based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

(xi) Provisions

Provisions are made where an event has taken place that gives the Group an obligation to incur future expenses which are likely or certain to be incurred but the amount or timing of which cannot be determined accurately, but can be estimated reliably. These include provisions for bad and doubtful debts and the cost of meeting insurance claims falling below the Group's policy excesses. Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Group becomes aware of the obligation. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

(xii) Reserves

Amounts set aside for purposes falling outside the definition of provisions are considered to be reserves. Reserves are created by appropriating amounts from the General Fund Balance in the Movement in Reserves Statement. When expenditure which is to be financed by a reserve is incurred, it is charged to the Net Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

The Group has set aside a number of revenue reserves and details of these are provided in the notes to the accounts. Reserves include earmarked reserves set aside for specific policy purposes and liabilities. Certain reserves can only be used for specific statutory purposes. The Revaluation Reserve, the Capital Adjustment Account and the Usable Capital Receipts Account are examples of such reserves.

(xiii) Value Added Tax (VAT)

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

(xiv) Fair Value Measurement

The Group measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

2. Accounting Standards adopted during the year

There have been no new Accounting Standards adopted in the year.

3. Accounting Standards that have been issued but not yet adopted

Accounting Standards issued in the 2023/24 code but not yet adopted are listed below:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

Changes to these accounting standards are included in the 2023/24 CIPFA Code of Practice and once adopted may require disclosure in 2024/25 if material.

IFRS 16 Accounting for Leases will be implemented in full from 1st April 2024. As a Constabulary we currently hold seven leases that fall under the definition of a lease under the standard. Four of these leases are already shown under our Land & Building assets at Fair value.

4. Critical judgements in applying Accounting Policies

In applying the accounting policies set out in Note 1, the Group has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There is a degree of uncertainty about future levels of funding for Police and Crime Commissioners, and consequently Chief Constables. However, it has been determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Group might be impaired as a result of a need to close facilities and reduce levels of service provision.

All income, including that from grants, is received and controlled by the Police and Crime Commissioner. As a result, no income is included within the Accounts of the Chief Constable.

It has been judged that all property, plant, and equipment is owned and controlled by the PCC and as such is not included in the Chief Constable's Accounts.

The valuations of our land and buildings requires professional judgements to be made using professional knowledge and using appropriate recent property price market information.

5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the	The effects on the net pension liability of changes in individual assumptions can be measured.

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. We have engaged the Governments Actuary Department to provide the Group with expert advice about the assumptions to be applied for the Police Pension Schemes and Hymans Robertson LLP provides the same expert advice for the Police Staff Pension Scheme (the LGPS via the LGPS Administering Authority).

However, the assumptions interact in complex ways. During 2023/24, the Group's actuaries advised that the net pension liability had increased by £40.6m for Police Pension Schemes (including a decrease of £556m as a result of changes in financial assumptions) and a decrease of £1,947m for Police Staff Pensions as a result of changes in financial assumptions.

A sensitivity analysis shown in Note 33 shows the impact that a 0.1% increase in Real Discount Rate will have or a 0.1% increase in Salary or Pension Increase would have on the 4 pension schemes. The highest impact likely is on the Police Pension Scheme if the Real Discount Rate was reduced with a potential impact of £19.4m (1.6% reduction in liability)

**Property,
Plant &
Equipment**

PPE is depreciated over the useful lives of the assets which are dependent on assumption regarding the length of time the asset will be in operational use for, these vary for different classes of assets. In addition our highest value Land & Buildings are formally revalued on an annual basis with the remainder being part of a 5 year rolling programme and so the potential exists for variations in value and changes in useful life.

Valuations are calculated by qualified valuers in accordance with RICS valuation Standards and values are based on recent actual prices achieved in the market for comparable land and buildings in the relevant area.

Our total land and buildings are valued at £63.2m. A 0.5% adjustment to the yield upwards and downwards to the PCC's Land & Buildings would result in an approximate -£1.8m and a £1.9m change respectively to the value shown in the PCC's Balance Sheet.

6. Events after the Reporting Period

The Statement of Accounts were authorised for issue by the Chief Finance Officer on 25th February 2025.

There are no events to report to this date.

7. Intra Group Funding Arrangements Between the Police and Crime Commissioner and the Chief Constable

The PCC receives all funding on behalf of the Group. There is no transfer of real cash between the PCC and the Chief Constable as the latter does not have a bank account into which monies can be received or paid.

The table below shows the movement through the intra-group account within the respective Balance Sheets. PCC resources consumed at the request of the CC are reflected in the PCC and CC Balance Sheets though an intra-group adjustment. Similarly an intra-group adjustment is made through the PCC and CC Balance Sheets to reflect the PCC funding of these resources.

	2023/24	2022/23
	£000	£000
<u>Comprehensive Income and Expenditure Statement</u>		
PCC resources consumed at the request of the CC	201,316	194,047
PCC funding for resources consumed at the request of the CC	(201,316)	(194,047)

8. Group Note to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating to Capital Items (Note 8.1)	Adjustments relating to Pensions (Note 8.2)	Other Adjustments (Note 8.3)	2023/24 Total Adjustments
	£000	£000	£000	£000
Police Services	247	(27,097)	1,241	(25,609)
Corporate, Democratic and Commissioning Services	-	6	-	6
Net Cost of Services	247	(27,091)	1,241	(25,603)
Other Income and Expenditure	-	52,961	(101)	52,860
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	247	25,870	1,140	27,257
2022/23				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating to Capital Items (Note 8.1)	Adjustments relating to Pensions (Note 8.2)	Other Adjustments (Note 8.3)	Total Adjustments
	£000	£000	£000	£000
	£000	£000	£000	£000
Police Services	(498)	5,942	489	5,933
Corporate, Democratic and Commissioning Services	-	138	-	138
Net Cost of Services	(498)	6,080	489	6,071
Other Income and Expenditure	-	45,893	134	46,027
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	(498)	51,973	623	52,098

Police and Crime Commissioner’s Note to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating	Adjustments relating	Other Adjustments	2023/24
	(Note 8.1)	to Pensions	(Note 8.3)	Total Adjustments
	£000	(Note 8.2)	£000	£000
Police Services	247	-	-	247
Corporate, Democratic and Commissioning Services	-	6	-	6
Net Cost of Services	247	6	-	253
Other income and expenditure	-	(49)	(101)	(150)
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	247	(43)	(101)	103

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating	Adjustments relating	Other Adjustments	2022/23
	to Capital Items	to Pensions	(Note 8.3)	Total Adjustments
	(Note 8.1)	(Note 8.2)	£000	£000
Police Services	(498)	-	-	(498)
Corporate, Democratic and Commissioning Services	-	138	-	138
Net Cost of Services	(498)	138	-	(360)
Other Income and Expenditure	-	16	134	150
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	(498)	154	134	(210)

8.1 Adjustments relating to Capital Items

This column adds in depreciation and impairment and revaluation gains and losses in the service line and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices; and
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

8.2 Adjustments relating to Pensions

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

- **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs; and
- **Other Income and Expenditure** is the net interest on the defined benefit liability which is charged to the CIES.

8.3 Other Adjustments

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

For services this represents the removal of the accumulated absences accrual as allowed by statute.

9. Expenditure and Income Analysed by Nature

<u>Group</u>	2023/24 £'000	2022/23 £'000
POLICE SERVICES		
Expenditure		
Police Pay and Allowances	87,080	79,473
Police Staff Pay and Allowances	45,736	49,335
Other Pay and Allowances	-	1,427
Other Service Expenses	2,198	1,946
Police Pensions	(3,582)	19,734
Premises	6,506	5,639
Transport	4,487	4,381
Supplies and Services	19,668	22,667
Agency and Contracted Services	1,754	1,793
Depreciation and Impairment of Fixed Assets	5,386	6,283
Total Police Services	169,233	192,678
Net (Gain)/Loss on Disposal of Fixed Assets	254	157
Financing and Investment Income and Expenditure	52,064	45,921
Total Expenditure	221,551	238,756
Income		
Government Grants	(7,653)	(2,952)
Income from Fees and Charges	(14,285)	(16,819)
Taxation and Non-Specific Grant Income	(179,143)	(173,229)
Total Income	(201,081)	(193,000)
CORPORATE, DEMOCRATIC AND COMMISSIONING SERVICES		
Expenditure		
Police Staff Pay and Allowances	1,185	1,147
Other Service Expenses	6	5
Premises	9	2
Transport	6	3
Supplies and Services	5,924	4,931
Total Expenditure	7,130	6,088
Income		
Other Income	(110)	(115)
Government Grants	(3,787)	(3,111)
Total Income	(3,897)	(3,226)
Deficit on Provision of Services	23,703	48,618

<u>PCC</u>	2023/24	2022/23
	£'000	£'000
POLICE SERVICES		
Expenditure		
Depreciation and Impairment of Fixed Assets	5,386	6,283
Supplies and Services	72	1,942
Intra-Group Adjustment for financial resources consumed	201,316	194,048
Total Police Services	206,774	202,273
Financing and Investment Income and Expenditure	(949)	46
Other Operating Expenditure	254	157
Total Expenditure	206,079	202,476
Income		
Government Grants	(7,653)	(2,952)
Income from Fees and Charges	(14,285)	(16,819)
Other Operating Income	(11,682)	(16,028)
Taxation and Non-Specific Grant Income	(179,143)	(173,229)
Total Income	(212,763)	(209,028)
CORPORATE, DEMOCRATIC AND COMMISSIONING SERVICES		
Expenditure		
Police Staff Pay and Allowances	1,185	1,147
Other Service Expenses	6	5
Premises	9	2
Transport	6	3
Supplies and Services	5,924	4,931
Total Expenditure	7,130	6,088
Income		
Income from Fees and Charges	(110)	(115)
Government Grants	(3,787)	(3,111)
Total Income	(3,897)	(3,226)
Deficit on Provision of Services	<u>(3,451)</u>	<u>(3,690)</u>

10. Group's Movement in Reserves Statement – 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 Group in the year, in accordance with proper accounting practice, to arrive at the resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure. The adjustments are made against the General Fund Balance.

	2023/24		2022/23	
	Usable Reserves		Usable Reserves	
	General Fund Balance	Capital Receipts Reserve	General Fund Balance	Capital Receipts Reserve
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to the Pensions Reserve)	25,870	-	51,973	-
Council tax (transfers to (or from) Collection Fund)	(101)	-	134	-
Holiday pay (transferred to the Accumulated Absences Reserve)	1,241	-	489	0
Reversal of entries included in the deficit on the Provision of Services in relation to capital expenditure (the items are charged to the Capital Adjustment Account)	5,471	-	6,441	0
Total Adjustments to Revenue Resources	32,481	-	59,037	-
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	254	-	-	212
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(1,198)	-	(1,178)	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(4,268)	-	(5,388)	-
Total Adjustments between Revenue and Capital Resources	(5,212)	-	(6,566)	212
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	(2)	2	-	(1,091)
Addition of unapplied Capital Grant	-	-	-	-
Application of capital grants & Compulsory Purchase compensation to finance capital expenditure	(10)	-	(320)	-
Cash payments in relation to deferred capital receipts	-	-	-	-
Transfer from the Capital Receipts Reserve to the Capital Carry Forward Reserve	-	-	(240)	-
Transfer from the Capital Receipts Reserve to the Sustainability Reserve	-	-	187	(187)
Total Adjustments to Capital Resources	(12)	2	(373)	(1,278)
Total Adjustments	27,257	2	52,098	(1,066)

11. Police and Crime Commissioner's Movement in Reserves Statement – 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 Commissioner in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Commissioner to meet future capital and revenue expenditure.

	2023/24		2022/23	
	Usable Reserves		Usable Reserves	
	General Fund Balance	Capital Receipts Reserve	General Fund Balance	Capital Receipts Reserve
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to the Pensions Reserve)	(43)	-	154	-
Council tax (transfers to (or from) Collection Fund)	(101)	-	134	-
Reversal of entries included in the deficit on the Provision of Services in relation to capital expenditure (the items are charged to the Capital Adjustment Account)	5,471	-	6,441	-
Total Adjustments to Revenue Resources	5,327	-	6,729	-
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	254	-	-	212
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(1,198)	-	(1,178)	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(4,268)	-	(5,388)	-
Total Adjustments between Revenue and Capital Resources	(5,212)	-	(6,566)	212
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(2)	-	(1,091)
Addition of unapplied Capital Grant	(10)	-	-	-
Application of capital grants & Compulsory Purchase compensation to finance capital expenditure	(2)	2	(320)	-
Cash payments in relation to deferred capital receipts	-	-	-	-
Transfer from the Capital Receipts Reserve to the Capital Carry Forward Reserve	-	-	(240)	-
Transfer from the Capital Receipts Reserve to the Sustainability Reserve	-	-	187	(187)
Total Adjustments to Capital Resources	(12)	-	(373)	(1,278)
Total Adjustments	103	-	(210)	(1,066)

12. Group and Police and Crime Commissioner's Movement in Reserves Statement – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24.

	Balance at	2022/23		Balance at	2023/24		Balance at 31
	31 March	Added to Reserve	Applied	31 March	Added to Reserve	Applied	March 2024
	£000	£000	£000	£000	£000	£000	£000
Carry Forward Projects Reserve	1,812	2,110	(1,812)	2,110	1,740	(2,110)	1,740
Insurance Reserve	1,410	-	-	1,410	846	-	2,256
Ill-Health Retirement Reserve	398	-	-	398	-	-	398
Prevention and Early Intervention Reserve	375	72	(28)	419	26	(37)	408
Budget Assistance Reserve	2,187	1,631	-	3,818	946	-	4,764
Capital Carry Forward Reserve	1,008	768	(1,008)	768	617	(702)	683
Asset Incentivisation Reserve	489	239	(284)	444	301	(165)	580
Road Casualty Reduction & Support Fund	1,020	62	(264)	818	-	(255)	563
Collaboration & Commissioning Reserve	443	88	-	531	103	-	634
Estates Development Reserve	-	-	-	-	650	-	650
Uplift Reserve	30	-	-	30	-	(30)	0
Major Incident Victim Support	25	-	-	25	-	-	25
Eastern Region Serious Organised Crime Building Maintenance Fund	124	14	(6)	132	14	(37)	109
Emergency Service Mobile Communication Programme Reserve	242	287	-	529	338	-	867
Pension Reserve (McCloud & Revaluation Smoothing)	150	100	-	250	-	-	250
Crime Reduction & Prevention Reserve	384	117	-	501	-	-	501
Council Tax Fund Initiative Reserve	109	-	-	109	-	-	109
Council Tax Support Fund	955	-	-	955	-	(558)	397
Sustainability Reserve	-	455	-	455	-	-	455
Agile working Reserve	330	-	(330)	-	-	-	0
Capital Fleet Reserve	-	384	-	384	-	(50)	334
NPCC Forensic Reserve	-	-	-	-	367	-	367
Taser Reserve	-	-	-	-	1,300	-	1,300
Op Olympus	-	-	-	-	250	-	250
Total Earmarked Reserves	11,491	6,327	(3,732)	14,086	7,498	(3,944)	17,640
General Reserve	8,561	885	-	9,446	-	-	9,446
Total General and Earmarked Reserves	20,052	7,212	(3,732)	23,532	7,498	(3,944)	27,086
Capital Receipts Reserve	956	212	(1,091)	77	2	(2)	77
Total Usable Reserves	21,008	7,424	(4,823)	23,609	7,500	(3,946)	27,163

Carry Forward Projects

Funds transferred to the Carry Forward Projects Reserve are underspends attributable to revenue commitments that are to be applied in the coming year.

Insurance

The purpose of this reserve is to finance self-insured liabilities and the policy excesses that are not covered by external policies.

Ill-Health Retirement

This reserve is maintained to meet exceptional costs of ill-health retirements.

Prevention and Early Intervention Reserve

Funds transferred to the this Reserve are amounts received from the HM Courts, earmarked for operational activity to fund initiatives to reduce and prevent crime. Funds are applied from this fund as operational need requires.

Budget Assistance

The reserve has been established to meet budget pressures in future years.

Capital Carry Forward

The reserve will fund approved capital carried forward expenditure in future years.

Asset Incentivisation Reserve

Funds transferred to the Asset Incentivisation Reserve are amounts received from the Proceeds of Crime Act (POCA) following successful investigations by ERSOU. The Assistant Chief Constable manages bids to this fund.

Road Casualty Reduction and Support Fund

This reserve has been established using underspend generated by the BCH Collaborated Cameras, Tickets and Collisions Unit to finance roads safety and casualty reduction work.

Collaboration and Commissioning

The reserve will fund assurance work for the OPCC regarding collaboration and commissioning Services.

Uplift Reserve

This reserve has been established in year in order to help meet the future costs of increasing the Officer workforce.

Major Incident Victim Support

This reserve was created from an underspend in the Victims and Witness Hub following devolved responsibility from the MOJ to provide support victims of major crime incidents in the county.

Collaborated Property Maintenance Fund

This is a new reserve created from Home Office funding to cover planned maintenance costs of the building.

Crime Reduction and Prevention Reserve

An earmarked reserve to support one off projects and pilots in support of crime reduction and prevention.

Emergency Services Mobile Communication Programme (ESMCP) Reserve

This reserve was established in 2020/21 to meet the future costs arising from the National airwave replacement project.

Pension Reserve

This reserve was established in 2020/21 to help meet the future costs of pension liabilities arising from McCloud and revaluation smoothing.

Council Tax Fraud Initiative Reserve

A new reserve to cover the costs of the 3 year review being undertaken by local authorities to investigate council tax fraud.

Council Tax Support Fund

This reserve has been created from a one off grant from the Ministry of Housing, Communities and Local Government in recognition of the increased cost of providing local council tax support at a time when households were facing financial difficulties as a result of covid 19. The grant is not ring-fenced.

Sustainability Reserve

This reserve has been established to support the Sustainability Strategy and associated initiatives and projects.

Capital Fleet Reserve

This reserve holds prior year surpluses held against the Fleet budget and is held to cover any future deficits.

NPCC Forensic Reserve

This is a reserve held by the Chief under his National Forensic Lead role

Taser Reserve

This reserve has been established to cover the costs of taser replacement programme across the next few years

Op Olympus

This reserve is held towards costs anticipated for the national policing response to the Bates versus the Post Office matter.

13. Group and Police and Crime Commissioner's Comprehensive Income and Expenditure Statement – Other Operating Expenditure

	2023/24		2022/23	
	PCC	Group	PCC	Group
	£000		£000	
Pension Top Up Grant Received from Home Office	(13,080)	11,682	(16,028)	16,028
Pension Top Up Grant Transferred to Pension Fund	11,682	(13,080)	-	(16,028)
(Profit)/Loss on the disposal of non-current assets	254	254	157	157
	(1,144)	(1,144)	(15,871)	157

14. Group and Police and Crime Commissioner's Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

	2023/24		2022/23	
	PCC	Group	PCC	Group
	£000		£000	
Interest payable and similar charges	566	570	553	553
Net interest on the net defined benefit liability	143	63,932	124	52,300
Expected Return on Assets	(192)	(10,971)	(107)	(6,407)
Interest receivable and similar income	(1,467)	(1,467)	(525)	(525)
	(950)	52,064	45	45,921

15. Group and Police and Crime Commissioner's Comprehensive Income and Expenditure Statement – Taxation and Non-Specific Grant Income

	2023/24	2022/23
	£000	£000
Council tax income	(82,304)	(76,389)
Non-domestic Rates, Council Tax Support & Freeze Grant	(35,808)	(35,706)
Non-ringfenced government grants	(59,623)	(59,416)
Capital grants	(10)	(320)
Pension Top up Grant	(1,398)	(1,398)
	(179,143)	(173,229)

16. Group and Police and Crime Commissioner's Property, Plant and Equipment

	Land and Buildings £000	Plant and Equipment £000	Vehicles £000	Surplus Assets £000	Assets Under Constructio n £000	Total £000
Cost or valuation						
At 1 April 2023	41,077	23,070	9,138	2,990	4,521	80,796
Additions	-	-	-	-	9,676	9,676
Disposals	-	(441)	(859)	-	-	(1,300)
Reclassifications	781	2,213	1,504	-	(4,490)	8
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,401)	-	83	(110)	-	(1,428)
Impairments recognised in the Surplus/Deficit on the Provision of Services	(948)	-	-	-	-	(948)
Revaluation increases/(decreases) recognised in the Provision of Services	-	-	-	-	-	-
At 31 March 2024	39,509	24,842	9,866	2,880	9,707	86,804
Accumulated depreciation						
At 1 April 2023	(1,409)	(16,322)	(4,216)	-	-	(21,947)
Charge for 2023/24	(484)	(2,339)	(1,214)	-	-	(4,037)
Disposals	-	435	611	-	-	1,046
Reclassifications	75	-	-	-	-	75
Revaluation increases recognised in the Revaluation Reserve	-	-	-	-	-	-
At 31 March 2024	(1,818)	(18,226)	(4,819)	0	0	(24,863)
Net book value						
31 March 2024	37,691	6,616	5,047	2,880	9,707	61,941
31 March 2023	39,668	6,748	4,922	2,990	4,521	58,849

	Land and Buildings £000	Plant and Equipment £000	Vehicles £000	Surplus Assets £000	Under Constructio £000	Total £000
Cost or valuation						
At 1 April 2022	43,210	23,305	8,323	2,671	4,174	81,683
Additions	-	-	-	-	9,796	9,796
Disposals	-	(2,751)	(1,080)	-	-	(3,831)
Reclassifications	5,372	2,516	1,895	-	(9,449)	334
Revaluation increases recognised in the Revaluation Reserve	(4,998)	-	-	319	-	(4,679)
Impairments recognised in the Deficit on the Provision of Services	(2,507)	-	-	-	-	(2,507)
Revaluation increase recognised in the Provision of Services	-	-	-	-	-	-
At 31 March 2023	41,077	23,070	9,138	2,990	4,521	80,796
Accumulated depreciation						
At 1 April 2022	(2,175)	(16,864)	(3,711)	-	-	(22,750)
Charge for 2022/23	766	(2,200)	(1,224)	-	-	(2,658)
Disposals	-	2,742	719	-	-	3,461
Reclassifications	-	-	-	-	-	-
Revaluation decreases recognised in the Provision of Services	-	-	-	-	-	-
At 31 March 2023	(1,409)	(16,322)	(4,216)	-	-	(21,947)
Net book value						
31 March 2023	39,668	6,748	4,922	2,990	4,521	58,849
31 March 2022	41,035	6,441	4,612	2,671	4,174	58,933

Recognition

As well as the grouping of expenditure on computers (in line with the Group's Accounting Policies), items purchased as part of a capital scheme that are identical or related are grouped and recorded on the property, plant and equipment register if the value of the grouped assets exceed the de-minimis value of £10,000.

Depreciation

The following useful lives have been used in the calculation of depreciation on a straight line basis:

- Buildings - 20 to 60 years;
- Vehicles - 3 to 10 years, depending on type;
- Plant and Equipment - 5 years; and
- IT and Communications - 5 years.

Land and assets under construction are not depreciated.

Residual Values

The following residual values have been applied:

- Vehicles – 25% of cost.

Capital Commitments

At 31 March 2024, the Group has entered into a number of contracts related to capital expenditure on Property, Plant and Equipment assets in 2023/24 whose contractual commitments are £1.9m.

Revaluations

The following statement shows the progress of the Group's programme of revaluation of property, plant and equipment. Our largest asset values of land and buildings are reviewed annually with others on a rolling 5 year agreed programme, or sooner where there is a material change in value in any year or a property is reclassified (to Surplus Assets, Held for Sale Assets or Investment Properties). In the years between formal valuations, the continuing appropriateness of current values based on previous valuations is assessed by reference to market trends and professional advice. In addition, a desktop assessment has been carried out on agreed properties as appropriate based on materiality levels.

All valuations are prepared under International Financial Reporting Standards (IFRS) which requires the statement of assets at Fair Value and are in accordance with RICS Valuation – Global Standards. Valuations and Desktop Assessments in 2023/24 have been carried out by Chartered Surveyors Montagu Evans. They have also undergone a rigorous review by our internal valuers Jackie Golby, Strategic Head of Estates and Elly McKee (MRICS) Chartered Surveyor (MRICS).

Valuations of all other items of plant and equipment are based on historical cost.

The basis for valuation of property, plant and equipment is set out in the Statement of Accounting Policies.

Breakdown of overall asset value

The following table details a breakdown of our assets at historic cost and impact following valuation as at 31 March each year is as follows:

	Intangible Assets	Property, Plant & Equipment					Investment Assets	Total
	Software Licenses	Land and Buildings	Surplus	Plant and Equipment	Vehicles	ACOC		
Assets valued at Historical Cost:	9,760	4,627	-	24,842	9,866	9,706	-	58,801
Valued at Current Value in:								
2023/24		26,301	2,880				105	29,286
2022/23	-	3,637	-	-	-	-	-	3,637
2021/22	-	1,934	-	-	-	-	-	1,934
2020/21	-	1,519	-	-	-	-	-	1,519
2023/24	-	538	-	-	-	-	-	538
2022/23	-	917	-	-	-	-	-	917
2017/18	-	-	-	-	-	-	-	0
	9,760	39,473	2,880	24,842	9,866	9,706	105	96,632

Transfers between Levels of the Fair Value Hierarchy

There has been one transfer this year between Levels 1 and 2 during the year. Our Land and Building and Investment assets fall within Level 1 £1,282k (£1,299k 2022/23) & Level 2 £38,191k (£39,779k 2022/23) hierarchy.

Valuation Techniques

There has been no change in the valuation techniques used during the year.

Valuation Process for Investment Properties

The fair value of the Group's investment properties is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Group's valuation experts work closely with finance staff reporting directly to the Chief Finance Officer on a regular basis regarding all valuation matters.

17. Group and Police and Crime Commissioner's Intangible Assets

The Group accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life of five years, in line with other IT and Communication Assets. The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £476k (2022/23 £915k) is chargeable to Police Services in the Comprehensive Income and Expenditure Statement.

The movement of assets are as follows:

	Intangibles under			Intangibles under		
	Intangibles £000	Development £000	Total £000	Intangibles £000	Development £000	Total £000
Balance at start of year:						
Gross carrying amount	9,613	147	9,760	10,065	-	10,065
Accumulated amortisation	(8,395)	-	(8,395)	(7,480)	-	(7,480)
Net carrying amount at start of year	1,218	147	1,365	2,585	-	2,585
Additions		303	303	-	232	232
Disposals	-	-	-	(203)		(203)
Reclassifications from assets under construction	311	(311)	-	(249)	(85)	(334)
Amortisation for the period	(476)	-	(476)	(915)		(915)
Net carrying amount at 31st March 2024	1,053	139	1,192	1,218	147	1,365
Comprising:						
Gross carrying amount	9,924	139	10,063	9,613	147	9,760
Accumulated amortisation	(8,871)	-	(8,871)	(8,395)	-	(8,395)
	1,053	139	1,192	1,218	147	1,365

18. Group and Police and Crime Commissioner's Financial Instruments

Categories of Financial Instruments

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

2023/24

Financial Assets

	Non Current		Current			Total £000
	Investments £000	Debtors £000	Cash £000	Investments £000	Debtors £000	
Fair Value through Profit and loss	-	-	-	-	-	-
Amortised Cost	-	-	4,547	5,000	2,485	12,032
Total Financial Assets	-	-	4,547	5,000	2,485	12,032

Financial Liabilities

	Non Current		Current			Total £000
	Borrowings £000	Creditors £000	Borrowings £000	Creditors Chief £000	Creditors PCC £000	
Fair Value through Profit and loss	14,896	-	909	7,234	12,089	19,323
Amortised Cost	-	-	-	-	-	-
Total Financial Assets	14,896	-	909	7,234	12,089	19,323

2022/23

Financial Assets

	Non Current		Current			Total £000
	Investments £000	Debtors £000	Cash £000	Investments £000	Debtors £000	
Fair Value through Profit and loss	-	-	-	-	-	-
Amortised Cost	-	-	3,812	5,000	1,742	10,554
Total Financial Assets	-	-	3,812	5,000	1,742	10,554

Financial Liabilities

	Non Current		Current			Total £000
	Borrowings	Creditors	Borrowings	Creditors Chief £000	Creditors PCC £000	
Fair Value through Profit and loss	-	-	-	-	-	-
Amortised Cost	15,805	-	348	5,993	10,351	16,344
Total Financial Assets	15,805	-	348	5,993	10,351	16,344

Fair Values of Financial Assets and Financial Liabilities

At 31 March 2024, the Group does not hold any Financial Assets carried at Fair Value. Financial liabilities and financial assets represented by borrowings and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments (Level 2) using the following assumptions:

- for the fair value of Public Works Loan Board (PWLB) loans, premature repayment rates from the PWLB are applied to provide the fair value under PWLB debt redemption procedures;
- no early repayment or impairment is recognised;
- the carrying amount of an instrument maturing within 12 months is assumed to approximate to its fair value; and
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The carrying and fair values of financial liabilities carried at amortised cost and of borrowings are as follows:

	31 March 2024		31 March 2023	
	Amount	Fair Value	Amount	Fair Value
Financial liabilities at amortised cost:				
Public Works loan Board loans	(15,805)	(13,520)	(16,153)	(14,517)

The fair value on borrowing is lower/higher than the carrying amount dependent on the Group's portfolio of loans and the interest rates available for similar loans at the balance sheet date. Most of our loans are on a fixed rate. All other financial liabilities and borrowings mature within 12 months and therefore their carrying values are assumed to approximate to their fair values.

19. Group and Police and Crime Commissioner's Debtors

	2023/24	2022/23
	£000	£000
Trade Receivables	1,142	566
Prepayments	5,839	2,679
Other Receivables	16,362	19,454
	<u>23,343</u>	<u>22,699</u>

20. Group and Police and Crime Commissioner's Cash and Cash Equivalents

	2023/24	2022/23
	£000	£000
Cash held by the Commissioner	15	15
Bank current accounts	(1,338)	(423)
Short term deposits	5,869	4,220
	<u>4,546</u>	<u>3,812</u>

21. Group and Police and Crime Commissioner's Creditors

	2023/24		2022/23	
	PCC	Group	PCC	Group
	£000	£000	£000	£000
Trade Creditors	(28)	(28)	(469)	(469)
Other Creditors	(18,351)	(25,585)	(15,627)	(21,620)
	<u>(18,379)</u>	<u>(25,613)</u>	<u>(16,096)</u>	<u>(22,089)</u>

22. Group and Police and Crime Commissioner's Provisions

Insurance

The balance at 31 March 2024 represents estimated outstanding claims under the 'excess' clauses of the Group's employers' and public liability, motor and property insurance policies. The settlement of these claims is likely to be spread over a number of years. There are no amounts in respect of liabilities covered by the insurance provision that are expected to be subject to reimbursement from third parties.

	2023/24	2022/23
	£000	£000
Insurance		
Balance at 1 April	1,928	1,928
Increase (Decrease) in year	538	-
Balance at 31 March	<u>2,466</u>	<u>1,928</u>
	2023/24	2022/23
	£000	£000
Legal Provision		
Balance at 1 April	204	204
Amounts used in year	(161)	-
Increase in year	142	-
Balance at 31 March	<u>185</u>	<u>204</u>
Total Provision	<u>2,651</u>	<u>2,132</u>

23. Group and Police and Crime Commissioner's Usable Reserves

Movement in the Group and Police and Crime Commissioner's usable reserves are detailed in the Movement in Reserves Statement.

24. Group and Police and Crime Commissioner's Unusable Reserves

	Group	PCC	Group	PCC
	£000	£000	£000	£000
	2023/24		2022/23	
Revaluation Reserve	10,753	10,753	12,597	12,597
Capital Adjustment Account	23,292	23,292	23,140	23,140
Pensions Reserve	(1,205,243)	1,345	(1,152,526)	1,339
Collection Fund Adjustment Account	(532)	(532)	(633)	(633)
Accumulated Absences Account	(7,234)	-	(5,993)	-
	<u>(1,178,964)</u>	<u>34,858</u>	<u>(1,123,415)</u>	<u>36,443</u>

Revaluation Reserve (Group and Police and Crime Commissioner)

The revaluation reserve contains the gains made by the Group arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

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

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

	2023/24	2022/23
	£000	£000
Balance at 1 April	12,597	17,180
(Downward)/Upward revaluation of assets	(1,445)	(4,679)
Difference between fair value depreciation and historical cost depreciation	(399)	96
Balance at 31 March	<u>10,753</u>	<u>12,597</u>

Capital Adjustment Account (Group and Police and Crime Commissioner)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or additions or subsequent costs such as depreciation, impairment losses and amortisation which are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Group as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 10 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2023/24	2022/23
	£000	£000
Balance at 1 April	23,140	21,673
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(4,910)	(5,368)
Revaluation losses on Property, Plant and Equipment	-	-
Amortisation of intangible assets	(476)	(915)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Com	(254)	(370)
Difference between fair value depreciation and historical cost depreciation	399	(97)
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	2	1,091
Use of the Reserves to finance new capital expenditure	-	-
Use of Capital Carry Forward Reserve to finance new capital expenditure	(85)	240
Capital grants credited to the Comprehensive Income and Expenditure Statement that have been applied to ca	10	320
Statutory provision for the financing of capital investment charged against the General Fund	1,198	1,178
Capital expenditure charged against the General Fund	4,268	5,388
Balance at 31 March	23,292	23,140

Pension Reserve (Group and Police and Crime Commissioner)

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Group accounts for post employment benefits:

- in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service;
- by updating the liabilities recognised to reflect inflation; and
- by changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Group makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. The movements on the pensions liability have been disclosed in Note 33.

	Group	
	2023/24	2022/23
	£000	£000
Balance at 1 April	(1,152,526)	(1,724,395)
Remeasurements of the net defined benefit liability	(26,847)	623,842
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(71,134)	(95,752)
Employer's pensions contributions and direct payments to pensioners payable in the year	45,264	43,779
Balance at 31 March	<u>(1,205,243)</u>	<u>(1,152,526)</u>
	-	
	PCC	
	2023/24	2022/23
	£000	£000
Balance at 1 April	1,339	(399)
Remeasurements of the net defined benefit liability	(37)	1,893
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(141)	(344)
Employer's pensions contributions and direct payments to pensioners payable in the year	184	189
Balance at 31 March	<u>1,345</u>	<u>1,339</u>

Accumulated Absences Account (Group)

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2023/24	2022/23
	£000	£000
Balance at 1 April	(5,993)	(5,504)
Amount by which employer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,241)	(489)
Balance at 31 March	(7,234)	(5,993)

25. Group and Police and Crime Commissioner's Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2023/24		2022/23	
	PCC	Group	PCC	Group
	£000	£000	£000	£000
Depreciation	3,962	3,962	2,658	2,658
Amortisation	948	948	2,507	2,507
Impairment and downward valuations	476	476	1,118	1,118
Increase/(Decrease) in creditors	2,283	3,524	(5,822)	(5,333)
(Increase)/Decrease in debtors	(644)	(644)	293	293
Decrease in inventories	(137)	(137)	(121)	(121)
Movement in Pension Liability	(6)	25,870	154	51,973
Carrying value of non-current assets sold or derecognised	254	254	158	158
Other non-cash items charged to the net surplus or deficit on the provision of services		37	622	622
	7,136	34,290	1,567	53,875

26. Group and Police and Crime Commissioner's Joint Operations

Eastern Region Special Operations Unit

The Eastern Region Special Operations Unit (ERSOU) is a joint arrangement between 7 forces – Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk, to provide one serious and organised crime unit for the eastern region. ERSOU is run by a management board where all forces are equally represented and decisions are made with the unanimous consent of all forces. Therefore each forces' share of assets, liabilities, income and expenditure are consolidated into their own financial statements.

All revenue costs and capital expenditure are shared between the seven forces in accordance with the percentages defined in the Section 22 agreement. All capital expenditure is fully funded in the year of expenditure and there is therefore no capital financing charge to the seven participating forces.

ERSOU is a jointly controlled operation with no separate entity and is therefore not able to hold reserves in respect of any cumulative surplus or deficit at year end. Each participating Local Policing Body shows its share of the carried forward surplus in its accounts. The ERSOU operating account is shown in the following table. The expenditure figures do not include depreciation charges.

The Home Office grants were paid to Bedfordshire as agent for the participating forces.

The income and expenditure for the ERSOU joint operation is shown below:

2023/24	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grants	-789	-1002	-1979	-1430	-1347	-1127	-872	-8,546
Capital Grants	-7	-8	-17	-12	-18	-10	-7	-79
Running Costs	3,475	4,410	5,578	6,295	5,412	4,962	3,837	33,969
Depreciation	96	105	56	162	34	127	101	681
Surplus / Deficit	2,775	3,505	3,638	5,015	4,081	3,952	3,059	26,025
Reserve C'f	11	14	28	19	29	15	12	127

2022/23	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grants	-868	-1095	-1881	-1559	-1270	-1236	-954	-8,863
Capital Grants	-221	-280	-81	-399	-74	-316	-243	-1,614
Running Costs	3,156	3,985	4,591	5,671	4,372	4,495	3,468	29,738
Depreciation	46	46	32	74	16	58	47	319
Surplus / Deficit	2,113	2,656	2,661	3,787	3,044	3,001	2,318	19,580

Bedfordshire, Cambridgeshire and Hertfordshire (BCH) Collaboration

Cambridgeshire Police and Crime Commissioner and Cambridgeshire Constabulary participates in collaborative arrangements with Bedfordshire Police and Crime Commissioner/ Bedfordshire Police and Hertfordshire Police and Crime Commissioner/Hertfordshire Constabulary. The collaborated units are jointly staffed and funded by the three forces and are overseen by governance boards where all forces are equally represented and decisions are made with the unanimous consent of all forces. Therefore each forces' share of assets, liabilities, income and expenditure are consolidated into their own financial statements.

Expenditure of £37.8m (2022/23 £30.7m) has been consolidated into the Chief Constable's Comprehensive Income and Expenditure Statement and the Group's Comprehensive Income and Expenditure Statement.

The net operating costs for the BCH joint operations is shown below:

The Net operating costs for the BCH Joint operations is shown below:									
	Beds	Cambs	Herts	Total		Beds	Cambs	Herts	Total
	2022/23	2022/23	2022/23	2022/23		2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
Joint Protective Services					Joint Protective Services				
Armed Policing Units	3,368	3,007	3,554	9,929	Armed Policing Units	3,812	3,412	4,038	11,262
Jps Command	400	504	718	1,622	Jps Command	453	575	820	1,848
Dog Units	869	1,066	1,443	3,378	Dog Units	938	1,156	1,568	3,662
Major Crime Unit	2,419	2,884	3,567	8,870	Major Crime Unit	2,609	3,122	3,868	9,599
Operational Planning	313	395	563	1,271	Operational Planning	309	392	560	1,261
Resilience	102	128	183	413	Resilience	95	120	172	387
Roads Policing Unit	2,808	4,007	5,386	12,201	Roads Policing Unit	2,843	4,076	5,487	12,406
Scientific Services	2,579	3,109	4,235	9,923	Scientific Services	3,386	4,057	5,420	12,863
Total Joint Protective Services	12,858	15,100	19,649	47,607	Total Joint Protective Services	14,445	16,910	21,933	53,288
Operational Support					Operational Support				
Custody & Criminal Justice Smt	278	170	500	948	Custody & Criminal Justice Smt	319	196	575	1,090
Criminal Justice Unit	518	654	931	2,103	Criminal Justice Unit	461	585	1,003	2,049
Delivery Management Office***	377	476	678	1,531	Joint Strategy & Transformation*	337	428	612	1,377
Cameras Tickets & Collisions	-	50	62	195	Cameras Tickets & Collisions	55	69	92	216
Firearms & Explosive Licenses	149	289	235	673	Firearms & Explosive Licenses	170	329	268	767
Ict ****	4,238	5,346	7,611	17,195	ICT**	6,925	8,699	12,481	28,105
-	-	-	-	-	-	-	-	-	-
Total Operational Support Expenditure	5,510	6,873	9,872	22,255	Total Operational Support Expenditure	8,267	10,306	15,031	33,604
Organisational Support					Organisational Support				
Collaboration Team***	-	-	-	-	- Corporate Comms	62	78	112	252
Hr L&D	4,572	5,768	8,212	18,552	Hr L&D	4,786	6,362	9,025	20,173
Information Management Depts	901	1,136	1,617	3,654	Information Management Depts	980	1,244	1,775	3,999
Professional Standards	1,546	1,580	2,313	5,439	Professional Standards	1,946	2,118	2,910	6,974
Joint Uniform Stores	71	90	128	289	Joint Uniform Stores	77	98	140	315
					Finance	31	171	56	258
					BCH Payroll	152	193	276	621
					Uplift Programme Board	42	53	75	170
					Police Transformation Fund	8	10	15	33
					BCH Implementation	26	33	-	59
Total Organisational Support Expenditure	7,090	8,574	12,270	27,934	Total Organisational Support Expenditure	8,110	10,360	14,384	32,854
Total BCH Net Operating Costs	25,458	30,547	41,791	97,796	Total BCH Net Operating Costs	30,822	37,576	51,348	119,746
Joint Procurement Unit**	129	243	460	832	Joint Procurement Unit**	255	238	471	964
					Pension Dep***	191	-	-	191
Total Net Operating Costs	25,587	30,790	42,251	98,628	Total Net Operating Costs	31,268	37,814	51,819	120,901
Joint Procurement Unit** 7F element					Joint Procurement Unit** 7F element				
Delivery Management Office*** Recognised in Op Support from 22/23, Previously part of Org Support during 21/22 known as Collaboration Team***					Pension Dep*** Beds McCloud				
					*DIT/CPO were restructured to form JST				
					**Please note ICT now includes all BTL values - previously it was not reported as such				

Seven Force Commercial Services (formerly 7 Force Procurement)

Procurement across Seven Forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk has been collaborated to form a single 7F Procurement function since 1 January 2020. Its aim is delivery of an effective Police service and to provide support for victims of crime by procuring and managing a high quality, value for money supply chain. The team are working towards aligning contracts across the seven forces, increasing the opportunity for greater interoperability across the region and enhancing efficiency and effectiveness.

The costs to Cambridgeshire Constabulary during 2023/24 were £238k. Total costs during 2022/23 were £243k, which was a transition period for the unit which went live as a single seven-Force unit.

27. Group and Police and Crime Commissioner's Officers' Remuneration

The remuneration paid to the Police and Crime Commissioner, Deputy Police and Crime Commissioner and Chief Officers is as follows:

		Salaries, fees & allowances	Bonuses	Benefits in Kind	Total Remuneration excluding pension contributions	Employer's pension contributions	Total Remuneration including pension contributions
		£	£	£	£	£	£
<u>Chief Constable's Accounts</u>							
Chief Constable							
Nick Dean	2023/24	173,867	-	5,045	178,912	-	178,912
Nick Dean *	2022/23	154,533	-	5,045	159,578	258	159,836
Deputy Chief Constable							
Jane Gyford	2023/24	142,995	-	-	142,995	40,510	183,505
Jane Gyford	2022/23	135,669	-	-	135,669	38,675	174,344
Assistant Chief Constables							
Victoria Evans	2023/24	126,068	-	4,549	130,617	39,081	169,698
Victoria Evans	2022/23	120,330	-	4,549	124,879	37,302	162,181
Dan Vajzovic to 6.2.23 **	2022/23	105,142	-	-	105,142	32,100	137,242
Chief Finance Officer (Constabulary)							
Jon Lee	2023/24	113,288	-	6,184	119,472	25,377	144,849
Jon Lee	2022/23	108,843	-	6,184	115,027	24,925	139,952
Totals	2023/24	556,218	-	15,778	571,996	104,968	676,964
	2022/23	624,517	-	15,778	640,295	133,260	773,555

* Nick Dean reached his 30 years in April 2022 and he opted out from 3.4.22

** Dan Vajzovic left Cambridgeshire Police 06.2.23 and moved to Deputy Chief Constable at Bedfordshire Police

		Salaries, fees & allowances £	Bonuses £	Benefits in Kind £	Total Remuneration excluding pension contributions £	Employer's pension contributions £	Total Remuneration including pension contributions £
<u>Police and Crime Commissioner Accounts</u>							
Police & Crime Commissioner							
D Preston	2023/24	73,300	-	-	73,300	16,419	89,719
D Preston	2022/23	73,142	-	-	73,142	16,749	89,891
Deputy Police & Crime Commissioner							
J Peach (Joined Pension in 23/24)	2023/24	29,510	-	-	29,510	4,958	34,468
J Peach	2022/23	29,431	-	-	29,431	-	29,431
Chief Executive James Haylett							
Chief Executive James Haylett	2023/24	111,584	-	-	111,584	24,995	136,579
Chief Executive James Haylett	2022/23	107,205	-	-	107,205	24,550	131,755
Chief Finance Officer (OPCC)							
Philip Trussell (New starter 20.11.23)	2023/24	22,194	-	-	22,194	4,971	27,165
Matthew Warren (Leaver 15.11.23)*	2023/24	3,721	-	-	3,721	-	3,721
Matthew Warren *	2022/23	6,616	-	-	6,616	-	6,616
Totals	2023/24	240,309	-	-	240,309	51,343	291,652
	2022/23	216,394	-	-	216,394	41,299	257,693

* Matthew Warren (previous OPCC CFO) was fulfilled by an arrangement whereby the role was covered by the Cambridgeshire Fire & Rescue Service Deputy Chief Executive.

The number of staff employees and senior police officers holding a rank above that of superintendent whose remuneration, excluding employer's pension contributions, was £50,000 or more, in bands of £5,000, was as follows:

	Group		PCC		Chief	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
£50,000 to £54,999	15	14	1	-	14	14
£55,000 to £59,999	4	11	-	1	4	10
£60,000 to £64,999	11	5	1	1	10	4
£65,000 to £69,999	4	5	1	-	3	5
£70,000 to £74,999	7	3	1	1	6	2
£75,000 to £79,999	1	3	-	-	1	3
£80,000 to £84,999	1	5	-	-	1	5
£85,000 to £89,999	4	4	-	-	4	4
£90,000 to £94,999	7	7	-	-	7	7
£95,000 to £99,999	5	-	-	-	5	-
£100,000 to £104,999	4	-	-	-	4	-
£105,000 to £109,999	-	1	-	-	-	1
£110,000 to £114,999	2	1	1	-	1	1
£115,000 to £119,999	1	1	-	-	1	1
£120,000 to £124,999	-	1	-	-	-	1
£125,000 to £129,999	1	-	-	-	1	-
£135,000 to £139,999	-	1	-	-	-	1
£140,000 to £144,999	1	1	-	-	1	1
£145,000 to £149,999	1	-	-	-	1	-
£150,000 to £154,999	-	1	-	-	-	1
£170,000 to £174,999	1	-	-	-	1	-
	70	64	5	3	65	61

The numbers above include the senior employees and relevant police officers disclosed earlier in Note 16 where they earned over £50k and also includes those seconded out of force at present.

The numbers of exit packages with total cost per band and the total cost of redundancies agreed are set out below. There were four redundancies during 23/24. All redundancies were compulsory in both years.

Exit package cost band	Number of redundancies		Total cost of exit packages in each band	
	2023/24 No.	2022/23 No.	2023/24 £'000	2022/23 £'000
£0 - £20,000	3	-	25	-
£20,001 - £40,000	1	1	24	9
	4	1	49	9

Redundancy costs for Cambridgeshire employees in collaborated units are apportioned in line with existing cost sharing principles. In 2023/24 our share of the total redundancy cost was £19k. In addition, during 2023/24 Cambridgeshire contributed towards one exit packaged for NPCC total cost of £4k.

28. Group and Police and Crime Commissioner's Audit Costs

The Group has has incurred the following credits in relation to the audit of the Statement of Accounts due to incomplete Audit.

	2023/24	2022/23
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor:		
Police and Crime Commissioner	89	23
Chief Constable	47	12
	<u>136</u>	<u>35</u>

29. Group and Police and Crime Commissioner's Grant Income

The Group credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24.

	2023/24	2022/23
	£000	£000
Other Government Grants	1,394	838
Victims Commissioning	2,737	2,367
Pension Remedy	12	15
Pay Award	3,407	723
Safer Streets	698	496
Serious Violence Duty	352	30
Uplift Grant	2,839	1,594
	<u>11,439</u>	<u>6,063</u>

	2023/24	2022/23
	£000	£000
Police Grant	59,623	59,416
Precepts	82,304	76,389
Home Office Local Government Funding	29,284	29,182
Localised Council Tax Support	4,822	4,822
Council Tax Freeze	1,702	1,702
Capital Grants	10	320
Pension Top up Grant	1,398	1,398
	<u>179,143</u>	<u>173,229</u>

30. Group and Police and Crime Commissioner's Related Parties

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

Chief Constable (Police and Crime Commissioner)

The Police and Crime Commissioner has direct control over the Group's finances, including responsibility for funding of all pensions' liabilities, and is responsible for setting the Police and Crime Plan. The Chief Constable operates within the budget set by the Police and Crime Commissioner, to deliver the aims and objectives set out in the Police and Crime Plan. Section 28 of the Police Reform and Social Responsibility Act 2011 requires that the local authorities covered by the police area must establish a Police and Crime Panel (PCP) for that area. The PCP scrutinises the decisions of the PCC, reviews the Police and Crime Plan and has a right of veto over the precept (see note 7).

Central Government

Central government has significant influence over the general operations of the Group – it is responsible for providing the statutory framework within which the Group operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Group has with other parties. Grants received from government departments are set out in Note 29.

Officers

During the year, the Chief Constable was a trustee of the Shrievally Trust.

Cambridgeshire Police Shrievally Trust

The Cambridgeshire Police Shrievally Trust is a charitable organisation supported by the Group whose objective is to support efforts to "Create a Safer Cambridgeshire". Details of Officers who were a trustee throughout the period are set out below:

Officers:

N Dean, Chief Constable

In the year to 31 March 2024, the Group had dealings with the Trust being a Victims Support grant contribution of £60,000 (2022/23 £50,000) and two Safer Streets Grants totalling £81,130 (2022/23 £25,428).

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

The Group has a pooled budget arrangement (joint operation) with the six other eastern police forces for the provision of tackling organised crime and further pooled budget arrangements (joint operation) with Bedfordshire Police and Hertfordshire

Constabulary for the provision of a range of policing services. Transactions and balances outstanding are detailed in Note 26.

The Group participates in four pension schemes the Local Government Pension Scheme (LGPS) for Police Staff, the Police Pension Scheme (PPS) for Police Officers in service before 31 March 2006 who are subject to transitional protection, the New Police Pensions Scheme (NPPS) for officers starting service on or after 1 April 2006 who are subject to transitional protection, the Police Pensions Scheme 2015 (PPS 2015) for officers starting service on or after 1 April 2016 and officers formerly members of PPS/NPPS who are not subject to transitional protection. The LGPS scheme is administered by Cambridgeshire County Council and the PPS, NPPS and PPS 2015 are administered by XPS Pension Group; see Note 33 for details of transactions and balances outstanding.

During the year the Group made payments totalling £1,572k to the six local authorities for National Non-Domestic Rates Bills (2022/23 £978k). This was lower in 2022/23 due to a £610k rebate received from Huntingdon District Council following a rate review.

31. Group and Police and Crime Commissioner's Third Party Funds

Third Party Funds are monies administered, but not owned by the Group.

Police Property Act

Under section 43 of the Powers of Criminal Courts Act 1973, the Group is empowered to seize monies or property used, or intended for use, for the purpose of crime. These seized monies are held by the Group, pending a decision by the Courts.

Misuse of Drugs Act

Section 27 of the Misuse of Drugs Act 1971 empowers Police Groups to retain monies seized during investigations. The Courts may release property or monies to the Group so that it is used to tackle drug related crime and drug abuse.

Seized Funds

We hold funds that are being pursued by ERSOU FIT for POCA and related powers – a civil case to remove the funds from those likely to have committed crime.

Property Banking

We hold funds seized from an individual whilst the investigation is carried out and a case is being built.

Other Third Party Funds

We also hold small amounts for our Police Cadets & Peterborough Youth Boxing.

The amount held under the two Acts, as at 31 March 2024, was £2.2m (31 March 2023: £1.5m 2022/23).

32. Group and Police and Crime Commissioner's Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Group, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Group that has yet to be financed. The CFR is analysed in the second part of this note.

	2023/24	2022/23
	£000	£000
<i>Opening Capital Financing Requirement</i>	24,622	22,761
<i>Capital Investment</i>		
Property, Plant and Equipment	9,677	9,796
Intangible Assets	310	232
<i>Source of Finance</i>		
Capital Receipts	(2)	(1,091)
Government Grants	(10)	(320)
Uplift Grant contribution	(17)	-
Fleet Reserve	(50)	-
Capital Carry Forward Reserve	(702)	(240)
<i>Sums set aside from revenue</i>		
Direct revenue contributions	(4,217)	(5,338)
Minimum Revenue Provision	(1,198)	(1,178)
<i>Closing Capital Financing Requirement</i>	<u>28,413</u>	<u>24,622</u>

33. Group's Retirement Benefits

Participation in Pension Schemes

As part of the terms and conditions of employment of its Police Officers and Police Staff, the Group offers retirement benefits which are normally payable on retirement. The Group, however, is required to disclose its commitment to pay future retirement benefits as those benefits are earned by officers or employees.

The Group participates in four pension schemes:

- i) the Local Government Pension Scheme (LGPS) for Police Staff, administered by Cambridgeshire County Council. This is a defined benefit, funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended

to balance the pensions liabilities with investment assets. The Police and Crime Commissioner and Chief Constable are separate employers in the scheme, which is reflected in the figures included in the financial statements; and

- ii) the Police Pension Scheme (PPS) for police officers in service before 31 March 2006 who are subject to transitional protection, the New Police Pensions Scheme (NPPS) for officers starting service on or after 1 April 2006 who are subject to transitional protection, the Police Pensions Scheme 2015 (PPS 2015) for officers starting service on or after 1 April 2016 and officers formerly members of PPS/NPPS who are not subject to transitional protection. All three schemes are defined benefit, unfunded schemes, administered by XPS Pension Group, meaning that there are no investment assets built up to meet the pension liabilities and that cash has to be generated to meet actual pensions payments as they eventually fall due. Injury Awards paid under the Police Pension Schemes are disclosed separately. These payments are unfunded and are paid directly by the Group. Injury awards are subject to the same treatment as the Police Pension Schemes, with the movement on the liability being attributable to any change in interest costs and actuarial gains/losses. New injury awards are shown as past service costs in the year which they are made.

Transactions relating to post employment benefits

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by staff rather than when the benefits are actually paid as pensions. However, the charge required to be 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 Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2023/24				2022/23			
	Police Pensions £000	LGPS- Chief Constable £000	LGPS- Police Commissioner £000	Total £000	Police Pensions £000	LGPS- Chief Constable £000	LGPS- Police Commissioner £000	Total £000
Comprehensive Income and Expenditure Account								
<i>Cost of Services:</i>								
Current service cost	11,238	6,629	190	18,057	35,762	13,770	327	49,859
Past service costs	-	116	-	116	-	-	-	-
	11,238	6,745	190	18,173	35,762	13,770	327	49,859
<i>Financing and Investment Income and Expenditure:</i>								
Net interest expense	53,860	(850)	(49)	52,961	43,570	2,306	17	45,893
	53,860	(850)	(49)	52,961	43,570	2,306	17	45,893
<i>Total Post Employment Benefit Charged to the Deficit on the Provision of Services</i>								
	65,098	5,895	141	71,134	79,332	16,076	344	95,752
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>								
Return on plan assets		(14,782)	40	(14,742)		11,317	52	11,369
Actuarial (gains)/losses arising on changes in demographic assumptions	-	(1,113)	(16)	(1,129)	(29,920)	(3,675)	(19)	(33,614)
Actuarial (gains)/losses arising on changes in financial assumptions	(25,360)	(15,390)	(253)	(41,003)	(582,090)	(134,918)	(2,200)	(719,208)
Other	38,840	44,615	266	83,721	97,120	20,217	274	117,611
	13,480	13,330	37	26,847	(514,890)	(107,059)	(1,893)	(623,842)
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Account</i>								
	78,578	19,225	178	97,981	(435,558)	(90,983)	(1,549)	(528,090)
Movement in Reserves Statement								
Reversal of net charges made to the Deficit for the Provision of Services for post employment benefits in accordance with the Code	(65,098)	(5,895)	(141)	(71,134)	(79,332)	(16,076)	(344)	(95,752)
<i>Actual amount charged against the General Fund Balance for Pensions in the year:</i>								
Employer's contributions payable to the schemes	37,946	7,134	184	45,264	36,948	6,642	189	43,779

Assets and Liabilities in Relation to Post Employment Benefits

Reconciliation of present value of the scheme liabilities:

	2023/24				2022/23			
	Police Pensions £000	Unfunded Liabilities LGPS- Chief Constable £000	Unfunded Liabilities LGPS- Police Commissioner £000	Total Liabilities £000	Police Pensions £000	Unfunded Liabilities LGPS- Chief Constable £000	Unfunded Liabilities LGPS- Police Commissioner £000	Total Liabilities £000
Balance at 1 April	1,171,582	207,643	2,757	1,381,982	1,644,088	306,694	4,200	1,954,982
2021 bought forward adj			140	140				
Current service cost	11,238	6,629	190	18,057	35,762	13,770	327	49,859
Past service costs	-	116	-	116	-	0	-	-
Interest cost	53,860	9,929	143	63,932	43,570	8,606	124	52,300
Contributions by scheme participants	8,820	2,066	63	10,949	7,970	1,940	55	9,965
Benefits paid	(46,766)	(6,019)	(6)	(52,791)	(44,918)	(4,991)	(4)	(49,913)
Remeasurement gain/loss:								
Actuarial (gains) and losses arising on changes in demographic assumptions	-	(1,113)	(16)	(1,129)	(29,920)	(3,675)	(19)	(33,614)
Actuarial (gains) and losses arising on changes in financial assumptions	(25,360)	(15,390)	(253)	(41,003)	(582,090)	(134,918)	(2,200)	(719,208)
Other	38,840	44,615	266	83,721	97,120	20,217	274	117,611
Balance at 31 March	1,212,214	248,476	3,284	1,463,974	1,171,582	207,643	2,757	1,381,982

The actuarial (gains)/losses arising on changes in financial assumptions have been adjusted by £38m (LGPS Chief Constable) and £164k (LGPS Police and Crime Commissioner) which has reduced the pension asset in line for the asset ceiling. The asset ceiling is the present value of any economic benefits in the form of refunds from the plan or reductions to the future contributions to the plan.

Reconciliation of fair value of the scheme assets:

	2023/24				2022/23			
	Police Pensions £000	LGPS- Chief Constable £000	LGPS- Police Commissioner £000	Total Assets £000	Police Pensions £000	LGPS- Chief Constable £000	LGPS- Police Commissioner £000	Total Assets £000
Balance at 1 April	-	225,360	4,096	229,456	-	226,786	3,801	230,587
2021 bought forward adj			(164)	(164)				
Interest Income	-	10,779	192	10,971	-	6,300	107	6,407
Remeasurement gain/loss:								
The return on plan assets, excluding the amount included in the net interest expense	-	14,782	264	15,046	-	(11,317)	(52)	(11,369)
Contributions from employer	37,946	7,134	184	45,264	36,948	6,642	189	43,779
Contributions from employees into the scheme	8,820	2,066	63	10,949	7,970	1,940	55	9,965
Benefits paid	(46,766)	(6,019)	(6)	(52,791)	(44,918)	(4,991)	(4)	(49,913)
Closing fair value of scheme assets	-	254,102	4,629	258,731	-	225,360	4,096	229,456

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

	Police Pensions £000		LGPS £000		Total £000	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Present value of the defined benefit obligation	1,212,214	1,171,582	251,760	210,400	1,463,974	1,381,982
Fair Value of Plan Assets	-	-	(258,731)	(229,456)	(258,731)	(229,456)
Net Liability arising from defined benefit obligation	1,212,214	1,171,582	(6,971)	(19,056)	1,205,243	1,152,526

The PPS has no assets to cover its liabilities. The LGPS's assets consist of the following categories, by proportion of the total assets held:

	LGPS- Police Commissioner £000	LGPS- Chief Constable £000	31-Mar-24 £000	LGPS- Police Commissioner £000	LGPS- Chief Constable £000	31-Mar-23 £000
Cash and Cash Equivalents	55	3,023	3,078	95	5,444	5,539
Private Equity	570	31,285	31,855	488	27,966	28,454
Debt Securities						
UK Government	423	23,222	23,645	133	7,628	7,761
Equity Instruments (by industry)						
Consumer	52	2,847	2,899	-	-	-
Manufacturing	55	3,014	3,069	-	-	-
Energy and Utilities	5	284	289	-	-	-
Financial Institutions	48	2,652	2,700	-	-	-
Health and Care	41	2,267	2,308	-	-	-
Information Technology	95	5,222	5,317	-	-	-
Other	5	289	294	-	-	-
Investment Funds and Unit Trusts						
Equities	1,959	107,530	109,489	2,173	124,513	126,686
Bonds	684	37,547	38,231	425	24,329	24,754
Infrastructure	354	-	354	346	19,813	20,158
Other	-	19,439	19,439	-	-	-
Real Estate	282	15,479	15,761	257	14,721	14,978
Derivatives	-	2	2	17	946	963
	4,628	254,102	258,730	3,932	225,360	229,292

The liabilities are the underlying commitments that the Group has to pay retirement benefits in the long-term. The total liability of £1,205,243k has a significant impact on the net worth of the Group as presented in the Balance Sheet, giving rise to negative equity of £1,151,8016k. However, statutory arrangements for funding the deficit mean that the financial position of the Group remains stable:

- i) the deficit on the LGPS will be made good by increased contributions over the remaining working lives of employees, as assessed by the scheme actuary; and
- ii) finance is only required to be raised to cover police pensions as and when they are actually paid.

Basis of Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method using approximate roll forward methods. This allows for changes in financial and demographic assumptions, benefit accrual, actual pension increases and estimated cashflows over the period. The PPS, the NPPS and the PPS 2015 have been assessed by the Government Actuary's Department. The LGPS liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, based on the latest full valuation of the scheme.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Police Pension Schemes	
	2023/24	2022/23	2023/24	2022/23
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	21.5	22.0	21.9	21.9
Women	24.2	24.2	23.6	23.5
Longevity at 65 for future pensioners:				
Men	23.1	22.9	23.6	23.5
Women	25.9	26.0	25.1	25.0
Rate of increase in salaries	3.3	3.7	3.9	4.8
Rate of increase in pensions	2.8	3.2	2.6	3.0
Rate for discounting scheme liabilities	4.9	2.8	4.7	2.7
CARE revaluation rate	-	-	3.9	4.3

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis 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 changed 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.

	Police Commissioner Scheme		Chief Constable Scheme		Police Pension Scheme	
	Increase in Liability (%)	Approximate monetary amount £'000	Increase in Liability (%)	Approximate monetary amount £'000	Increase in Liability (%)	Approximate monetary amount £000
Change in assumptions at 31 March 2024						
0.1% increase in Real Discount Rate	3.0%	79	2.0%	4,735	-1.6%	(19,400)
0.1% increase in the Salary Increase Rate	0.0%	6	0.0%	536	0.2%	2,400
0.1% Increase in the Pension Increase Rate	2.0%	75	2.0%	4,284	1.6%	19,400
Life Expectancy (Pensioners assumed to be one year younger)	4.0%	125	4.0%	8,416	0.5%	6,000

Legal Claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

Aarons & Penningtons

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Virgin Media

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The PCC Cambridgeshire and the administering authority are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the pension scheme. As a result, The PCC Cambridgeshire does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

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 - this figure will be determined by the Government Actuaries Department. The impact of an increase in

scheme liabilities arising from McCloud/Sargeant judgement 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 authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government topup grant.

34. Group and Police and Crime Commissioner's Nature and Extent of Risks arising from Financial Instruments

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Group;
- Liquidity risk – the possibility that the Group might not have funds available to meet its commitments to make payments; and
- Market risk – the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements.

The Group's risk strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on resources available to fund services.

Risk management is carried out by a central treasury team under policies approved by the Group in the annual treasury management strategy. Specific areas such as interest rate risk, credit risk and the investment of surplus cash are covered within this.

Credit Risk

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

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with banks and/or building societies unless they meet identified minimum credit criteria, in accordance with Fitch, Moody's and Standard & Poor's credit rating services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet minimum investment criteria. Additional selection criteria are also considered after this initial criteria is applied.

The PCC uses the creditworthiness service provided by Link Asset Service. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard & Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

The Investment Strategy for 2024/25 to 2027/28 was approved by the PCC in February 2024.

Investment limits are the lower of £10 million or 25% of available funds, with the exception of the Debt Management Account Deposit Facility and Money Market Funds where deposits may be made to a limit of 100% of available funds. Our investments cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. A risk of irrecoverability applies to all of the PCC's deposits but there was no evidence at the 31 March 2024 that this was likely to crystallise.

With respect to amounts owed by the Group's customers and contractual debtors, the Group makes prudent provision for bad debts based on an assessment of the risks for each type of debt and the age and size of the balance outstanding. The majority of the Group's dealings are with public sector partners and the risks of default and uncollectibility are considered to be lower than those associated with commercial debtors.

The following analysis summarises the Group's assessment of its potential maximum exposure to credit risk in relation to debtors:

The Group has never experienced a loss from non-performance by any of its counterparties in relation to deposits and does not expect any such loss to arise.

The Group does not generally extend credit to its public sector partners or customers beyond 30 days. £97k of the £1,141k balance is past its due date for payment.

	31 March 2024	31 March 2023
	£000	£000
Commercial Debtors	172	109

Liquidity Risk

As the Group has ready access to borrowings from the Public Works Loan Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The table below shows the liability.

31 March 2024 31 March 2023

	£000	£000
Less than one year	1,141	1,141
Between one and two years	1,141	1,141
Between two and five years	3,422	3,422
More than five years	17,087	18,229
	22,791	23,933

Market Risk

Interest rate risk

The Group is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The extent of that risk is limited by the scale of borrowing and investment activities undertaken. In 2023/24 the Group’s investments were all short-term investments comprising of overnight deposits, fixed term deposits and notice accounts, which therefore fall to be treated as investments at variable rates, and its borrowings were fixed rate Public Works Loan Board loans. By way of example, a rise in interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the liabilities borrowings will fall; and
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure statement will rise.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest receivable on variable rate investments will be credited to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance pound for pound.

The Group has a number of strategies for managing interest rate risk. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is mitigated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Group’s cost of borrowing and provide compensation for a proportion of any higher costs.

The scale of the Group’s investment activities is such that the consequences of any adverse changes in interest rates on service delivery are unlikely to be significant in terms of a shortfall in resources, particularly as budgets are regularly reviewed and updated during the year. However, if interest rates had been 50 basis points higher, with all other variables held constant, the financial effect for the 2023/24 year of account would be:

	2023/24 £000	2022/23 £000
Increase in interest receivable on variable rate investments	146	114
Increase in Government grant receivable for financing costs	<u>-</u>	<u>-</u>
Impact on Income and Expenditure Account	<u>146</u>	<u>114</u>

35. Transport Consortium

The PCC for Cambridgeshire belongs to the Chiltern Transport Consortium operated by Thames Valley Police. Cambridgeshire's contribution for 2023/24 was £2.5m (£2.3m in 2022/23 which included insurance). Insurance costs were removed from the overall charge in 22/23 and accounted for separately. For 2023-24 the insurance costs for Cambridgeshire were £830k (£675k 2022-23).

Costs are allocated to the forces in proportion to the size of their fleet. The total costs of the consortium are shown below:

	2023/24 £000	2022/23 £000
Employee Costs	3,433	3,149
Premises	485	420
Vehicle Costs	6,074	4,829
Vehicle Capital costs	10,696	9,287
Income	(2,475)	(2,291)
	<u>18,213</u>	<u>15,394</u>
Insurance Costs	830	675 *

* Insurance costs were removed from the consortium recharge from 2022-23 and charged separately.

Pension Account

The Group is required to maintain a Pensions Account in order to discharge its responsibility for paying the pensions of retired officers and their survivors and to account to the Home Office as sponsoring department for police pensions funding. The Pensions Account has the legal status of a fund for the purposes of the Local Government Finance Act and all accounting entries are recorded, administrated and governed by The Police Pension Fund Regulations 2007.

Credits to the Pension Account include contributions from both the Chief Constable and serving police officers who are members of either the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) or the Police Pension Scheme 2015 (PPS 2015). The Chief Constable's contributions in 2023/24 were at a rate of 31.0% of pensionable salary. These rates are set by the Home Office and are subject to triennial revaluation by the Government's Actuary Department.

Charges to the Pension Account include pensions to retired police officers and their survivors and commutations and lump sum retirement benefits.

The Pension Account is balanced to nil each year by the receipt of pension top-up grant from, or by paying over any surplus to, the sponsoring department. The effect of this funding mechanism is that the employer's contribution of 31.0% of serving police officers' pensionable salary and together with injury pensions and a capital charge for ill-health retirements, falls to be charged to the Group's Comprehensive Income and Expenditure Statement.

The Pension Account is designed to discharge liabilities to pay pensions as they fall due and no account is taken of pensions and other liabilities after the period end.

A statement of account for the Pension Account, together with its net current assets and liabilities at 31 March 2024, is set out below. All Fund transactions are treated in accordance with the Group's accounting policies as set out at Note 1, where applicable.

Full details of the Group's retirement benefits have been disclosed in Note 33.

Fund Account

	2023/24	2022/23
	£'000	£'000
Contributions receivable:		
From employer:		
Normal	(20,172)	(18,122)
Early retirements	(152)	(269)
From members	(8,708)	(7,794)
Transfers in	(104)	(169)
	(29,136)	(26,354)
Benefits payable:		
Pensions	35,514	38,570
Commutations and lump sum retirement benefits	5,220	6,847
	40,734	45,417
Payments to and on account of leavers:		
Refunds of contributions	82	79
Individual transfers out to other schemes	2	23
	84	102
Net amount payable for the year before top-up grant payable by sponsoring department	11,682	19,165
Amount receivable from sponsoring department	(11,682)	(19,165)
Balance on Fund at 31 March	<u>-</u>	<u>-</u>
Net Assets Statement		
	2023/24	2022/23
	£'000	£'000
Net current assets and liabilities		
Amounts owed from General Fund	(3,843)	7,173
Remaining top-up grant due from the Home Office	3,843	(7,173)
Net current assets / (liabilities) at 31 March	<u>-</u>	<u>-</u>

The Police Pension Account does not hold any investment assets.

Glossary of Terms

Accrual	The recognition in the correct accounting period of income and expenditure as it is earned or incurred rather than as cash is received or paid.
Accrued Retirement Benefits (Pensions)	The retirement benefits for service up to a given point in time, whether vested rights or not.
Actuarial Gains And Losses (Pensions)	For a defined benefit scheme, the changes in deficits or surpluses that arise because events have not coincided with actuarial assumptions used in the last valuation (experience gains or losses) or because actuarial assumptions have changed.
Agency Services	The provision of services by an Authority (the agent) on behalf of another Authority, which is legally responsible for providing those services. The responsible Authority reimburses the Authority providing the service.
Appropriations	Amounts transferred to or from revenue or capital reserves.
Asset	An item owned by the Group which has an economic value e.g. land & buildings, debts or cash.
Budget	A financial statement of the Group's plans for any given year.
Capital Adjustment Account	An account that reflects the difference between the cost of property, plant and equipment and the capital financing set aside to pay for them.
Capital Expenditure	Expenditure on new assets or on the enhancement of existing assets.
Capital Grants	Grants received towards capital spending on a particular service or project.
Capital Receipts	Proceeds from the sale of capital assets such as land or buildings. They are available to finance new capital outlay and to repay existing debt.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the leading professional accountancy body for public services.
Creditors	Amounts owed by the Group for work done, goods received or services rendered, but for which payment has not been made at the date of the balance sheet.
Curtailment (Pensions)	For a defined benefit scheme, an event that reduces the expected years of future service of current staff or reduces for a number of staff the accrual of defined benefits for some or all of their future service.
Current Service Costs (Pensions)	The increase in the present value of a defined benefit scheme's liabilities expected to arise from pensionable service earned in the current period.

Debtors	Sums of money due to the Group, but unpaid at the balance sheet date.
Defined Benefit Scheme (Pensions)	A scheme to provide retirement benefits, the value of which are independent of the contributions payable, and that are not directly related to the underlying investments.
Depreciation	The measure of the wearing out, consumption or other reduction in the useful economic life of an item of property, plant and equipment.
Earmarked Reserves	Funds set aside from the Comprehensive Income and Expenditure Statement that can only be used for specific purposes.
Effective Rate of Interest	The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the balance sheet at initial measurement.
Equity Instrument	A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.
Expected Rate of Return on Pension Assets	For a funded, defined benefit scheme, the average rate of return, net of any charges, expected to be earned on assets held by the scheme over the remaining life of the related obligation to pay future retirement benefits.
Fair Value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Financial Asset	A right to future economic benefits controlled by the Group.
Financial Instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
Financial Liability	An obligation to transfer economic benefits controlled by the Group.
Financial Reporting Standards (FRSs)	Standards developed by the Accounting Standards Board to regulate the preparation and presentation of statement of accounts.
Government Grants	Payments by Central Government towards Local Authority spending. They may be specific to a particular service e.g. Police Grant; or general (see Revenue Support Grant).
Impairment	The term used where the estimated recoverable amount from an asset is less than the amortised cost at which the asset is being carried on the balance sheet.
Income	Amounts that the Group receives, or expects to receive, from any source. Income includes fees, charges, sales, specific grants and special grants. The term income implies that the figures concerned relate to amounts due in a financial year irrespective of whether or not they have been received in that period.

Injury Award	An injury award compensates an individual for the potential loss of earnings for injury sustained whilst on duty that results in some level of disablement which hinders or prevents them from working in the future. An injury award is a life time award.
Intangible Assets	An asset that lacks physical substance and yields benefits to the Group and the services it provides for a period of more than one year.
International Financial Reporting Standards (IFRSs)	Standards developed by the International Accounting Standards Board to regulate the preparation and presentation of statement of accounts.
Investments (Pensions)	The Group's share of pension scheme assets associated with its liability to pay future retirement benefits.
Minimum Revenue Provision (MRP)	The minimum amount the Group is required by statute to set aside on an annual basis for the repayment of debt.
National Non-Domestic Rates (NNDR)	The business rate in the pound is set annually and centrally by Government. The income arising is collected in a central pool for distribution to Local Authorities on the basis of a formula.
Operation Safeguard	Operation Safeguard is the national contingency plan for police custody support to His Majesty's Prison and Probatio Service (HMPPS), where the prison population is predicted to, or exceeded capacity.
Past Service Cost (Pensions)	For a defined benefit scheme, the increase in the present value of the scheme liabilities related to staff service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits payable.
Precept	The cash sum levied by one Authority which is collected by another (a charging Authority). The Group is the precepting Authority and the District Councils are the charging Authorities.
Projected Unit Credit Method (Pensions)	An actuarial method of valuing a pension scheme's liability to pay future retirement benefits taking into account estimated increases in future earnings.
Property, Plant and Equipment	Assets that have a physical substance and are held for use in the provision of services or for administration purposes on a continuing basis.
Provisions	Liabilities that are of uncertain timing or amount to be settled by the transfer of economic benefits.
Reserves	Amounts set aside by the Group that do not fall within the definition of a provision.
Retirement Benefits (Pensions)	All forms of consideration given by an employer in exchange for services rendered by staff that are payable after completion of the engagement.

Revenue Contributions to Capital Outlay	The financing of capital expenditure directly from Revenue rather than from loans or other sources.
Revenue Expenditure	The day-to-day spending and income of the Group on such items as staff, goods, services and equipment.
Revenue Fund Balances	The accumulated surplus of income over expenditure held in reserve.
Revenue Support Grant (RSG)	The general grant paid by Central Government to aid Local Authority (including the Group) spending generally.
Scheme Liabilities (Pensions)	The liabilities to pay future retirement benefits, measured using the projected unit credit method, of a defined benefit scheme for outgoings falling due after the valuation date.
Service Reporting Code of Practice (SeRCOP)	A CIPFA Code that is designed to ensure a consistent and comparable approach to the calculation of the cost of services.
Settlement (Pensions)	An irrevocable action that relieves the employer of the primary responsibility for a pension obligation.

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND PETERBOROUGH

REPORT ON THE AUDIT OF THE POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND PETERBOROUGH'S FINANCIAL STATEMENTS

Disclaimer of opinion

We were engaged to audit the financial statements of the Police and Crime Commissioner for Cambridgeshire and Peterborough (the "Police and Crime Commissioner") for the year ended 31 March 2024 which comprise the Group and Police and Crime Commissioner Comprehensive Income and Expenditure Statements, Group and Police and Crime Commissioner Movement in Reserves Statements, Group and Police and Crime Commissioner Balance Sheets, Group and Police and Crime Commissioner Cash Flow Statements and the related notes, including the Expenditure and Funding Analysis, Pension Account and the accounting policies in note 1.

We do not express an opinion on the financial statements. Due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Police and Crime Commissioner to publish its financial statements and our opinion thereon for the year ended 31 March 2024 by 28 February 2025 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were the carrying amount of property, plant and equipment, other creditors, the Pension Account and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2024 in relation to both the Group and the Police and Crime Commissioner.

In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2023 due to the Backstop Date. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2023 or whether there were any consequential effects on the Group's and the Police and Crime Commissioner's income and expenditure for the year ended 31 March 2024.

Any adjustments from the above matters would have a consequential effect on the Group's and the Police and Crime Commissioner's net assets and the split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2023, and on their income and expenditure and cash flows for the years then ended.

Fraud and breaches of laws and regulations – ability to detect

As stated in the *Disclaimer of opinion* section of our report, we do not express an opinion on the financial statements due to the reasons described in the *Basis for disclaimer of opinion* section of our report.

Other information

The Chief Finance Officer is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Any opinion on the financial statements would not cover the other information and we do not express an opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

Chief Finance Officer's and Joint Audit Committee's responsibilities

As explained more fully in the statement set out on page 19, the Chief Finance Officer is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Police and Crime Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Group and the Police and Crime Commissioner or dissolve the Group and the Police and Crime Commissioner without the transfer of their services to another public sector entity.

The Joint Audit Committee of the Police and Crime Commissioner is responsible for overseeing the Police and Crime Commissioner's financial reporting process.

Auditor's responsibilities

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

We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Police and Crime Commissioner to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Police and Crime Commissioner has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Police and Crime Commissioner had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages

and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Police and Crime Commissioner under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Police and Crime Commissioner in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner for our audit work, for this report, or for the opinions we have formed.

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

As at the date of this audit report, we have not yet completed our work in respect of the Police and Crime Commissioner's Whole of Government Accounts consolidation pack for the year ended 31 March 2024.

Until we have completed this work, we are unable to certify that we have completed the audit of the financial statements of the Police and Crime Commissioner for Cambridgeshire and Peterborough for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.



Catherine Henry

for and on behalf of KPMG LLP

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

26 February 2025

