Suffolk Police and Crime Commissioner

Making Suffolk a safer place to live, work, travel and invest

ORIGINATOR: CC CFO / PCC CFO	**PAPER NO: AC26/02**

SUBMITTED TO: AUDIT COMMITTEE – 2 FEBRUARY 2026

SUBJECT: STATEMENT OF ACCOUNTS 2024/25

SUMMARY:

1. The following documents have been submitted to the Audit Committee for consideration in advance of the approval of both the Police and Crime Commissioner's (PCC) and Chief Constable's (CC) 2024/25 Statements of Accounts and Annual Governance Statements:

a. Ernst & Young's Audit Results Report for the year ended 31 March 2025
b. PCC's Letter of Representation 2024/25
c. CC's Letter of Representation 2024/25
d. PCC's Annual Governance Statement 2024/25
e. CC's Annual Governance Statement 2024/25
f. PCC's Group and PCC Statement of Accounts 2024/25
g. CC's Statement of Accounts 2024/25

2. Both Annual Governance Statements and Statements of Accounts remain the subject of audit and may be amended to take account of any comments or adjustments recommended by the external auditors and Audit Committee Members.

RECOMMENDATION:

1. The Committee is recommended to consider the Police and Crime Commissioner's and Chief Constable's Annual Governance Statements and their respective Statements of Accounts.

2. Subject to the process described in section 4 of this report, the Committee is invited to recommend the Statements of Accounts and adoption of the Annual Governance Statements for approval by the Police and Crime Commissioner and Chief Constable.

DETAIL OF THE SUBMISSION

1. BACKGROUND

1.1 Under the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner (PCC) and Chief Constable (CC) are defined as corporate entities (as Corporations Sole). These corporate entities have also been established as Schedule 2 (Accounts Subject to Audit) bodies under the Audit Commission Act 1998.

1.2 The Accounts and Audit (England) Regulations 2015 require authorities to follow 'proper practices in relation to accounts' for the preparation of the Statement of Accounts. The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) constitutes 'proper accounting practice' in England and Wales under the terms of Section 21(2) of the Local Government Act 2003. PCCs and CCs in England and Wales are defined as local authorities under Section 23 (as amended by the Police Reform and Social Responsibility Act 2011) and are required to follow the Code.

1.3 In recent years, the number of local authorities who have not been able to publish audited accounts by the deadlines set within the Accounts and Audit Regulations 2015 has grown to unprecedented levels, with just 1% of local bodies publishing audited accounts on time for the 2022/23 financial year. There are several widely reported reasons for the breakdown in the local audit market, of which include a lack of capacity within audit firms who have public sector experience; increasing complexity of reporting requirements within the sector; and increased regulatory pressures on auditors. There is general agreement across the sector that the levels are unacceptable and that for financial reporting to be more meaningful to users of the accounts, it needs to be timely.

1.4 To address the backlog, in September 2024 the Government laid in Parliament a Statutory Instrument, "The Accounts and Audit (Amendment) Regulations 2024", which introduced a series of backstop dates by which local authorities must have published audited accounts. The first backstop date was the 13 December 2024, by which time local authorities needed to have published their audited accounts up to and including the financial year 2022/23.

1.5 The external auditors, Ernst & Young, were unable to schedule a full audit for the year 2022/23 in time for the backstop deadline of 13 December 2024 and were resultantly unable to obtain sufficient evidence to conclude on whether the 2022/23 financial statements were materially misstated. As a result, the Group, PCC and Chief Constable Accounts for 2022/23 received a disclaimed audit opinion on 5th December 2024 due to limited audit work taking place. This was the case for many local authorities and auditors have reported issuing 361 disclaimed opinions ahead of the 2022/23 backstop deadline of 13 December 2024.

1.6 An auditor may "disclaim" an opinion if it is concluded that they have been unable to obtain sufficient, appropriate audit evidence on which to base an opinion and that the possible effects of undetected misstatements *could* be both material and pervasive. This is distinct from a "qualified" opinion in which the auditor may conclude they have been unable to obtain sufficient, appropriate audit evidence for a specific set of balances and therefore their opinion is limited; or an "adverse" opinion in which the auditor has concluded on the basis of sufficient and appropriate evidence that material and pervasive misstatements exist.

1.7 Whilst significant audit work was carried out on the 2023/24 financial statements, due to the disclaimed audit opinion for 2022/23, the auditors had limited assurance over the opening balances included within the 2023/24 accounts. Consequently, the audit opinion received for the year-ended March 2024 was also disclaimed.

1.8 The backstop date by which time local authorities need to have published their audited accounts for the financial year 2024/25 is 27 February 2026. The level of assurance gained in 2024/25 has increased as Ernst and Young have continued to audit closing balance sheet and in-year transactions. Resultantly, the external auditors anticipate issuing a qualified audit opinion for 2024/25, with balances over which substantial assurance has not been obtained being limited to specific areas of the accounts. These are shown in the Auditors Annual Results Report at Appendix B.

1.9 The progress to full assurance set out in the National Audit Offices' Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01 is show in Appendix A of the Audit Results Report. Suffolk PCC, Group and Chief Constable accounts are progressing in line with the expected timescales for rebuilding assurance.

2. STATEMENTS OF ACCOUNTS

Sections of note:

Narrative Report:

2.1 The Narrative Report provides information about the Office of the Police and Crime Commissioner for Suffolk, and Suffolk Constabulary (together being the PCC Group), including the key issues affecting the Group and its accounts. It also provides a summary of the financial position at 31 March 2025, and is structured as below:

1. Policing context
2. Governance
3. Risks
4. Non-financial performance 2024/25
5. Financial performance 2024/25
6. Outlook
7. Basis of preparation

Notes to the accounts:

2.2 Note 3 in the Group/ PCC and CC accounts on Critical Judgements sets out those judgements that influenced the content of the accounts, including why transactions have been shown within the CC accounts, and how assets have been accounted for.

2.3 Note 30 in the Group/PCC accounts and note 17 in the CC accounts provides an explanation of the going concern basis.

2.4 Note 16 to the Group and PCC accounts and Note 13 to the CC accounts relate to pension disclosures. Primarily the notes provide detail of actuarial evaluations carried out in accordance with IAS 19.

2.5 There are a relatively small number of rounding differences within the Statement of Accounts, which are unavoidable, and do not detract from the accuracy of the figures.

3. PCC AND CC ANNUAL GOVERNANCE STATEMENTS

3.1 Both the PCC and the CC Annual Governance Statements were published in draft on 30 June 2025. They remain the subject of audit and may be amended to take account of observations and comments made by the external auditors.

3.2 Attached is an updated PCC AGS for consideration by the Audit Committee in advance of its adoption by the PCC and approval of the PCC's Statement of Accounts.

3.3 Also attached is an updated CC AGS for consideration by the Audit Committee in advance of its adoption by the CC, and approval of the CC's Statement of Accounts.

3.4 The Annual Governance Statements are accountability statements focusing on the governance arrangements within the year to which they relate. There has not been a mandated approach as to whether AGS' should include any comment on disclaimed external audit opinions and management are not aware of any requirement to do so. The disclaimed audit opinions in 22/23 and 23/24 and anticipated qualified opinion for 2024/25 are products of a breakdown in the local audit market as opposed to governance weaknesses in either the PCC or CC bodies. Therefore, as the reasoning and impact of the opinions have been publicly reported in the Audit Results Report, management have taken the decision not to include any comment on the audit opinions within the AGS' themselves.

4. PROCESS FOR AUTHORISATION OF THE ACCOUNTS FOR ISSUE BY THE PCC AND CHIEF CONSTABLE

4.1 Unless any material changes are required by the external auditors as a result of their final work:

- Subject to approval by the PCC, the Statement of Accounts of the PCC will become the approved accounts, and together with the Annual Governance Statement, will be published on the PCC website, and

- Subject to approval by the CC, the Statement of Accounts of the CC will become the approved accounts, and together with the Annual Governance Statement, will be published on the Constabulary website.

4.2 Publication on the PCC and Constabulary websites will take place as soon as practically possible following authorisation of the accounts for issue.

4.3 In the event that the Annual Governance Statements or Statements of Account require further amendment, it is recommended that the PCC CFO and CC CFO authorise the amendments as necessary and inform the Audit Committee of the amendments made.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications of any significance arising from consideration of this paper.

6. OTHER IMPLICATIONS AND RISKS

6.1 There are no other implications or risks associated with consideration of this paper.

Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary

Audit Results Report

Year ended 31 March 2025

20 January 2026

The better the question. The better the answer. The better the world works.

Shape the future with confidence

20 January 2026

Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary
Suffolk Police Headquarters
Portal Avenue
Martlesham Heath
Ipswich
IP5 3QS

Dear Tim and Rachel

2024/25 Audit Results Report

We attach our Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Joint Independent Audit Committee. We will update the Committee at its meeting scheduled for 2 February 2026 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Police and Crime Commissioner for Suffolk and the Chief Constable of Suffolk Constabulary (the PCC and CC) accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

The Police and Crime Commissioner and Chief Constable, as those charged with governance, have an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the wider arrangements to support the delivery of a timely and efficient audit. We consider and report on the adequacy of external financial reporting arrangements and the effectiveness of those charged with governance in fulfilling their role in those arrangements as part of our assessment of Value for Money arrangements; and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw those charged with governance's and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Police and Crime Commissioner, Chief Constable, Joint Independent Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Joint Independent Audit Committee meeting on 2 February 2026.

Yours faithfully

Debbie Hanson
Partner
For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the PCC, CC, Joint Independent Audit Committee and management of Suffolk Police in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the PCC, CC, Joint Independent Audit Committee and management of Suffolk Police those matters we are required to state to them in this 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 PCC, CC, Joint Independent Audit Committee and management of Suffolk Police for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

01 Executive Summary

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Executive Summary – Context for the audit

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- lack of capacity within the local authority financial accounting profession;
- increased complexity of reporting requirements within the sector;
- a lack of auditors and audit firms with public sector experience; and
- increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG has worked collaboratively with the FRC and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The NAO, supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach. In 2024/25 we have continued to audit the closing balance sheet and in-year transactions, which allows the build back of assurances over a large number of balances within the financial statements where audit procedures can be completed for successive years.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our Audit Results Report dated 27 February 2025, we issued a disclaimer of opinion on the PCC and CC's 2022/23 and 2023/24 financial under these arrangements to reset and recover local government audit. In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. However, we note that the balances for which assurance is unlikely to be obtained is limited to Property, Plant and Equipment (and associated transactions) and Reserves balances. Taking into account the requirement to conclude our work by the 2024/25 back stop date we will not be able to rebuild assurances over these balances as part of the 2024/25 audit. We therefore anticipate issuing a qualified 2024/25 audit opinion.

Appendix A sets out the current position of the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary in rebuilding to return to a position of full assurance on its financial statements as compared with the timeline envisaged by the NAO's LARRIG 01. This is informed by the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Executive Summary (cont'd)

Scope update

In our Audit Plan presented at the 30 May 2025 Joint Independent Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Changes in materiality

In our Audit Plan, we communicated that our audit procedures would be performed using the following materiality:

Description	Group	PCC	CC
Materiality basis	2% of gross expenditure on provision of services as disclosed in the 2023/24 statement of accounts	2% of total assets as disclosed in the 2023/24 statement of accounts	2% of gross expenditure on provision of services as disclosed in the 2023/24 statement of accounts
Planning materiality	£4.3 million	£2.2 million	£4.0 million
Performance materiality	£3.3 million	£1.7 million	£3.0 million
Audit differences threshold	£0.2 million	£0.1 million	£0.2 million

We updated our planning materiality assessment using the draft Statement of Accounts and have also reconsidered our risk assessment. We have updated our overall materiality assessment as follows:

Description	Group	PCC	CC
Materiality basis	2% of gross expenditure on provision of services as disclosed in the 2023/24 statement of accounts	2% of total assets as disclosed in the 2023/24 statement of accounts	2% of gross expenditure on provision of services as disclosed in the 2023/24 statement of accounts
Planning materiality	£4.6 million	£2.5 million	£4.3 million
Performance materiality	£3.4 million	£1.8 million	£3.2 million
Audit differences threshold	£0.2 million	£0.1 million	£0.2 million

Executive Summary (cont’d)

Status of the audit

Our audit work in respect of the PCC and CC opinion is substantially complete. Details of outstanding items relating to the completion of our audit procedures as at the date of this report, actions required and responsibility is included in Appendix D.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Statement of Accounts which could influence our final audit opinion.

A summary of the assurances we have gained from our 2024/25 audit procedures is set out at Appendix B.

Value for money

In our Audit Plan dated 29 April 2025, we reported that we had not completed our value for money (VFM) risk assessment. We have since completed our VFM risk assessment and identified no risks of significant weakness in arrangements. Having updated and completed the planned procedures we did not identify a significant weakness. See Section 03 of the report for further details.

Audit differences

We have not identified any uncorrected or corrected misstatements to the core financial statements (Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement and Cash Flow Statement)

A small number of disclosure misstatements have been corrected by management.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the PCC and CC. We have no matters to report as a result of this work.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedures are required.

There is one instance of potential non-compliance with laws and regulations in relation to the data breach referred to at page 19. We are satisfied that this does not have a material impact on the financial statements.

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Executive Summary (cont'd)

Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of the PCC and CC. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Risk	Status of our work
Presumptive risk of management override of controls	We have completed all planned procedures, with the exception of our work in relation to journals testing which remains ongoing. No significant matters have been identified from our work to date. However we have made an observation in relation to controls.
Inappropriate capitalisation of revenue expenditure	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Valuation of land and buildings	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Pension liability valuation	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Accounting for Private Finance Initiative	We have completed all planned procedures. No significant matters were identified in the completion of our work.
Accounting for data breach issue	We have completed all planned procedures. No significant matters were identified in the completion of our work, although we note that the final ICO report is yet to be issued.
IFRS 16 implementation	We have completed all planned procedures, with the exception of our work in relation to the completeness of the leases population which remains ongoing. No significant matters have been identified from our work to date. However we have made an observation in relation to controls.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the PCC, CC or Joint Independent Audit Committee.

Control observations

During the audit, we did not identify any significant deficiencies in internal control.

We followed up the observations and improvement recommendations made as part of our 2023/24 audit in relation to management's financial processes. These have yet to be fully implemented. See Section 06 for further details.

Executive Summary (cont'd)

Independence

Please refer to Section 08 for our update on Independence. We have not identified any issues that impact our independence and objectivity.

Factors impacting the execution of the audit

Management, the Joint Independent Audit Committee, and the Police and Crime Commissioner and Chief Constable, as those charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the PCC and CC's arrangements to support external financial across a range of relevant measures.

Area	Status (R / A / G)	Explanation	Further detail
Timeliness of the draft financial statements	Effective	The financial statements were published by the 30th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective	A limited number of non-material internal inconsistencies, typographical and arithmetic errors were identified in the draft financial statements that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective	Working papers were generally provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Effective	Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Effective	No significant delays have been experienced to date in the provision of supporting evidence for key accounting estimates.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective	There have been no significant issues to date with access to the finance team and key personnel.	N/A
Volume and value of identified misstatements	Effective	No material misstatements have been detected to date as a result of our work.	N/A
Volume of misstatements in disclosure	Effective	A relatively small number of misstatements in disclosures have been detected in our work to date.	N/A

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02 Areas of Audit Focus

Areas of Audit Focus (cont'd)

Presumptive risk of management override of controls (fraud risk/significant risk)

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

Our response to the key areas of challenge and professional judgement

We performed the following standard procedures to address this fraud risk:

- Identified fraud risks during the planning stages;
- Inquired of management about risks of fraud and the controls put in place to address those risks;
- Understood the oversight given by those charged with governance of management's processes over fraud;
- Discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions);
- Assessed related party relationships and transactions to determine whether there is any associated fraud risk;
- Considered the effectiveness of management's controls designed to address the risk of fraud;
- Determined an appropriate strategy to address those identified risks of fraud; and
- Performed mandatory procedures regardless of specifically identified fraud risks, including:
    - testing of journal entries and other adjustments in the preparation of the financial statements;
    - testing any significant unusual transactions to determine whether they are in the ordinary course of business; and
    - assessing significant accounting estimates and judgments to determine whether there is evidence of management bias.

What else did we do and further relevant information

As part of our evaluation of fraud risks, we also considered whether we need to perform other audit procedures not referred to above. We concluded that procedures were also required to address the risk of inappropriate capitalisation of revenue expenditure. These are set out at page 13.

Areas of Audit Focus (cont’d)

Presumptive risk of management override of controls (fraud risk/significant risk) – cont’d

What is the status of our work and what are our conclusions?

Our audit work in this area is ongoing in relation to journals testing as set out in Appendix D.

We obtained the responses we requested from management and those charged with governance and used these to inform our understanding of fraud risks. We noted that key elements of the entity level control framework that we would expect to see, especially arrangements for Internal Audit and Risk Management, were in place.

- Our walkthrough testing included considering what controls are in place to address significant risks. We concluded that these are mainly year-end processes including management review of the draft financial statements. We confirmed that these controls were in place, although our approach was not to rely on controls.
- We have not identified any material weaknesses in controls or evidence of material management override. One control weakness identified as part of the 2023/24 audit, in respect of control accounts, remains as detailed in Section 06 of this report.
- We did not identify any transactions during our audit which appeared unusual or outside the ordinary course of business.
- We have not identified any instances of inappropriate judgments being applied.

Overall, our audit work to date has not identified any material issues, inappropriate judgements or unusual transactions which indicate that there has been any misreporting of the financial position, that revenue or expenditure has been incorrectly recorded or that management has overridden controls.

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Areas of Audit Focus (cont'd)

Inappropriate capitalisation of revenue expenditure (fraud risk/significant risk)

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Tested property, plant and equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature in line with the definition of capital expenditure in IAS 16;
- Assessed whether the capitalised spend clearly enhances or extends the useful life of the asset rather than simply repairing or maintaining the asset on which it is incurred;
- Considered whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use; and
- Identified and tested journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

What are our conclusions?

We have not identified any PPE additions that were incorrectly capitalised, or which did not meet the statutory definition. No instances were identified where costs were not capital in nature.

Our testing of year-end journals did not identify any movements from expenditure to capital outside of the normal course of business.

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Areas of Audit Focus (cont'd)

Valuation of land and buildings (significant risk – Group/PCC)

What is the risk, and the key judgements and estimates?

The fair value of property, plant and equipment (PPE) represent significant balances in the Group and the PCC's accounts at £65.252 million for year ended 31 March 2024. The land and building assets which form the main part of this balance are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end land and building balances recorded in the balance sheet.

The valuation basis varies depending on the type of assets, and therefore subject to different input, estimation process and assumptions used.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Management have engaged a new valuer for 2024/25. This increases the risk of material changes in valuations due to changes in assumptions and methodologies.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Considered the work performed by the valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Performed testing of key assumptions and methodologies on a sample of assets and considered the reasonableness of the estimation techniques employed;
- Sample tested key asset information used by the valuer in performing their valuation, and agreeing this to what has been recorded in the fixed asset register and general ledger;
- Considered if there are any specific changes to assets that have occurred and that these had been communicated to the valuer;
- Considered changes to useful economic lives as a result of the most recent valuation;
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code;
- Reviewed assets not subject to valuation in 2024/25 to confirm that the remaining asset base is not materially misstated;
- Tested accounting entries have been correctly processed in the financial statements; and
- Reviewed the disclosures to ensure this is adequate in relation to estimation uncertainty.

What else did we do and further relevant information

We understood the valuation methodology applied by the PCC's valuer and considered the changes in valuations from prior year. As a result, we engaged EY Real Estates, our internal specialists on asset valuations, to support our work in this area.

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Areas of Audit Focus (cont'd)

Valuation of land and buildings (Significant risk – Group/PCC) – cont'd

What are our conclusions?

- We did not identify any issues from our review of the work performed by the valuer over the PCC's assets, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Our sample testing of key assumptions and methodologies did not identify any material issues concerning the reasonableness of the estimation techniques employed or the values determined. We also received assurance from EY Real Estates confirming this was the case for the sample of assets they reviewed.
- We did not identify any specific changes to assets that had occurred that required communication to the valuer.
- We did not identify any issues in relation to the useful economic lives as a result of the most recent valuation.
- All assets had been appropriately revalued within the PCC's 5 year rolling programme.
- Testing of accounting entries confirmed they had been correctly processed and disclosed in the financial statements.

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Areas of Audit Focus (cont'd)

Pension liability valuation (Inherent risk – Group/PCC/CC)

What is the risk, and the key judgements and estimates?

The Local Authority Accounting Code of Practice and IAS19 requires the PCC and CC to make extensive disclosures within their financial statements regarding their membership of the Local Government Pension Scheme administered by the Suffolk County Council and the Police Pension Scheme.

The respective PCC and CC's pension fund deficit is a material estimated balance, and the Code requires that this asset/liability be disclosed on the PCC and CC's balance sheet. At 31 March 2024 these totalled:

- PCC - £1.5 million asset; and
- CC - £1,116.2 million liability.

The information disclosed is based on the IAS 19 reports issued to the PCC and CC by the actuaries to the Suffolk Pension Fund and the Police Pension Scheme.

Accounting for these schemes involves significant estimation and judgement and therefore management engages actuaries to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Liaised with the auditors of Suffolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the PCC and CC;
- Assessed the work of the LGPS pension fund actuary (Hymans Robertson) and the Police Pension actuary (GAD), including the assumptions they have used by relying on the work of PwC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered the reviews of these by the EY actuarial team;
- Evaluated the reasonableness of the pension fund actuaries' calculations by comparing them to the outputs of our own auditor's specialist's model;
- Determined whether asset ceiling adjustments, as required by IFRIC 14, have been appropriately applied and accounted for the LGPS pension asset; and
- Reviewed and tested the accounting entries and disclosures made within the Group, PCC and CC financial statements in relation to IAS19.

What are our conclusions?

- We have received assurance from the Suffolk Pension Fund auditor with regard to the information supplied to the actuary. No issues were identified.
- We have reviewed the assessment of the Pension Fund actuary by PwC and EY Pensions and have followed up on relevant points. No issues were identified.
- We have received assurance from EY Pensions confirming that our own calculated estimate for the PCC and CC pension liabilities and LGPS asset ceiling are within the appropriate range.
- We have agreed the Group, PCC and CC's IAS 19 disclosures to the actuaries reports to ensure these are fairly stated in the accounts.

Areas of Audit Focus (cont'd)

Accounting for Private Finance Initiative (PFI) (Inherent risk – Group/PCC)

What is the risk, and the key judgements and estimates?

The PCC discloses one PFI contract within its financial statements for the use of six Police Investigation Centres shared with the Police and Crime Commissioner for Norfolk. At 31 March 2024, the PCC's share of the PFI liability was £19 million (PY was £19.6 million).

The liability and payments for services are dependent upon assumptions within the accounting models underpinning the PFI scheme. As such management is required to apply estimation techniques to support the disclosures within the financial statements.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Enquired whether there have been any significant changes within the model since our previous review;
- Reviewed and assessed the impact of any changes in assumptions upon the model; and
- Agreed the models to the disclosures within the financial statements.

What else did we do and further relevant information

We considered the need to use EY FAAS, our internal specialists on PFI valuations, to support our work in this area and determined that this was not required.

What are our conclusions?

We have not identified any significant changes to the accounting model.

No issues were identified in our testing of PFI disclosures within the financial statements.

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Areas of Audit Focus (cont’d)

Accounting for data breach issue (Inherent risk – Group/PCC)

What is the risk, and the key judgements and estimates?

While the 2021/22 audit was in progress, management reported two incidents of data breaches that were discovered within the financial year 2022/23.

We assessed the financial impact of the data breach issues in previous years financial statements, against IAS37, *Provisions, Contingent Liabilities and Contingent Assets*, to assess the completeness and accuracy of the financial liability and disclosures.

The ICO’s investigation has yet to be concluded and therefore it is currently unknown whether any financial penalty will be incurred and require inclusion in the accounts.

Until this matter is concluded the potential non-compliance with laws and regulations (NOCLAR) remains open. Therefore, the risk remains in that accounting for the data breach issue may not align with accounting standards and the CIPFA Code requirements.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Reviewed management’s assessment of the provisions and contingent liability in relation to the data breach issue; and
- Reviewed the disclosures in the financial statements for completeness and compliance with the relevant accounting standards, ensuring that all required information is disclosed.

What else did we do and further relevant information

We enquired as to the status of the ICO investigation.

What are our conclusions?

No issues were identified in our testing of provisions and contingent liabilities within the financial statements.

However, the ICO investigation remains open, although we understand that a draft report has been issued and no statutory fine is expected. Until the final report is issued it is currently unknown as to whether there will be any relevant findings.

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Areas of Audit Focus (cont’d)

IFRS 16 implementation (Inherent risk – Group/PCC)

What is the risk, and the key judgements and estimates?

IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/25 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the PCC’s 2024/25 accounts.

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the PCC is lessee these will now be recognised on the Balance Sheet as a ‘right of use’ asset and lease liability reflecting the obligation to make lease payments.

Successful transition will depend on the PCC having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The PCC will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

The PCC performed an initial impact assessment in 2023/24 and expect to recognise a right of use asset of £2 million.

Our response to the key areas of challenge and professional judgement

We performed the following substantive procedures:

- Gained an understanding of the processes and controls developed by the PCC relevant to the implementation of IFRS 16, paying particular attention to the PCC’s arrangements ensuring lease and lease-type arrangements considered are complete;
- Reviewed the discount rate used to calculate the right of use asset and assessed its reasonableness;
- Reviewed management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components;
- Gained assurance over the right of use asset included in the 2024/25 financial statements;
- Gained assurance over the PFI liability included in the 2024/25 financial statements;
- Sample tested leases to ensure that transition arrangements are correctly applied; and
- Considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

What else did we do and further relevant information

We obtained and inspected lease agreements as part of our sample testing to verify their existence and ensure they are fully signed with authorised signatures.

What is the status of our work and what are our conclusions?

We obtained the population of leases for which right of use assets and lease liabilities have been created as at 1 April 2024. This population totalled £1.9 million, and we selected one lease arrangement to perform further detailed testing. No material misstatements were identified as a result of this testing.

We also reviewed the financial statement disclosures for compliance with CIPFA Code of Practice on Local Authority Accounting. No issues were identified.

Our audit work in this area is ongoing in relation to the completeness of the leases population as set out in Appendix D.

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03 Value for Money

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Value for Money

The PCC and CC's responsibilities for Value for Money (VFM)

The PCC and CC are required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the PCC and CC are required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the PCC and CC tailor the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

We are required to consider whether the PCC and CC have made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

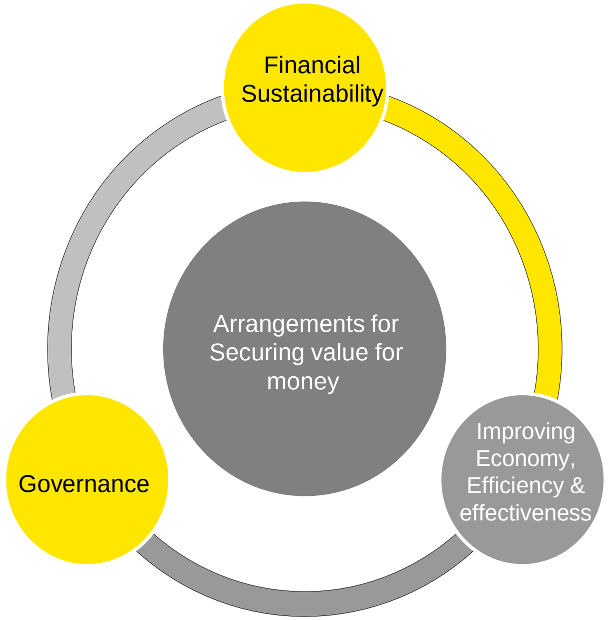
Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the PCC and CC's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the PCC and CC arrangements against three reporting criteria:

- Financial sustainability - How the PCC and CC plan and manage their resources to ensure they can continue to deliver services;
- Governance - How the PCC and CC ensure that they make informed decisions and properly manage risks; and
- Improving economy, efficiency and effectiveness - How the PCC and CC use information about their costs and performance to improve the way they manage and deliver services.

We have completed our detailed VFM work and identified no risks of significant weaknesses in arrangements and therefore expect to have no matters to report by exception in our audit report.

We issued our VFM narrative commentary in our draft 2024/25 Auditor's Annual Report on 25 November 2025.



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04 Audit Report

Audit Report

Draft audit report

We anticipate that the audit opinion for both the PCC and CC will be qualified for the reasons explained on page 5 of this report. The wording of the opinions will be provided in due course.

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05 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as ‘known’ or ‘judgemental’. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of audit differences

As at the date of this report, no adjusted or unadjusted misstatements have been identified.

Disclosure misstatements

During the course of the audit, we identified a small number of disclosure adjustments which have been corrected by management.

These disclosure adjustments include:

- Employees’ Remuneration (PCC Note 8 / CC Note 9)
- Non-Current Assets (PCC Note 13)
- Short Term Investments (PCC Note 17)
- Creditors (PCC Note 21)
- Financial Instruments (PCC Note 29)

We do not deem any of these to be so significant as to merit detailed reporting to you.

06 Assessment of Control Environment

Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control, including group-wide controls.

We have not identified any significant control deficiencies during the audit for either the PCC or CC.

During the audit, we did however make some observations in relation to management's financial processes and controls, which are also included in our update below.

Status of previous year's recommendations

In our 2023/24 Audit Results Report we identified scope for improvement in relation to the following items. An update is provided below.

Recommendation	Update
The PCC and CC should resolve any issues with the system interface and eliminate any remaining differences sitting within their control accounts	Testing of year-end payables included items relating to payroll deductions. A difference of £89,000 remains, between the payroll interface and payment to HMRC dating back to March 2015, in relation to national insurance. Therefore, this previous recommendation remains.
The PCC should ensure that all lease agreements are approved and signed before the commencement of the lease to which they relate.	Whilst work is ongoing to ensure that formal lease agreements are in place, our testing procedures identified one lease agreement which had not been finalised prior to commencement and one lease agreement which had expired where the new agreement was not yet in place. Therefore, this previous recommendation remains.

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07 Other Reporting Issues

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Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the PCC and CC Statement of Accounts 2024/25 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the PCC and CC Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the NAO.

We have not yet performed the procedures required by the NAO on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedures are required.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the PCC and CC to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State.

We did not identify any issues which required us to issue a report in the public interest or issue statutory recommendations under Schedule 7.

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08 Independence

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Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2025 and can be found here: EY UK Transparency Report.

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Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Plan the agreed fee presented was based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the PCC and CC;
- The PCC and CC have an effective control environment; and
- The PCC and CC comply with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular, the PCC and CC should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the PCC and CC are set out in the fee analysis on this page.

	Current Year 2024/25	Prior Year 2023/24
	£	£
Scale Fee – Code Work	150,844	136,464
Proposed scale fee variation	TBD Note 2	29,291 Note 1
Total audit fees	TBD	165,755

All fees exclude VAT

(1) As set in our 2023/24 Auditor's Annual Report a scale fee variation was submitted to PSAA covering the following areas:

- Revisions to ISA (UK) 315 – review of IT processes and applications as part of the risk identification and assessment process;
- Work of internal expert - EY Pensions engaged to review the reasonableness of the year-end liabilities and the application of IFRIC14 in relation to the asset ceiling. Roll-forward procedures were required for 2022/23 as well as 2023/24;
- IFRS16 – assessment of PCC preparedness to implement the changes required for 2024/25;
- Work to address the identified risk of significant weakness in VFM arrangements; and
- Disclaimer planning and reporting, including the cost of consultations.

As at the date of this report that scale fee variation has now been determined at a total value of £29,291.

(2) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- Work of internal expert – EY Real Estate and EY Pensions
- IFRS16 – implementation
- Audit report – modification

This is subject to change until the audit is complete, and all additional scale fee variations are subject to PSAA approval.

09 Appendices

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Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the PCC and CC's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

EXPECTED STATUS

2023/24	Current audit year 2024/25	2025/26	2026/27
Disclaimer opinion	**Disclaimer or qualified opinion**	**Qualified (except for) opinion**	**Unqualified opinion**
▪ Pervasive gaps over opening balances, comparators, and in-year movements. ▪ Lack of assurance over PPE (other land and buildings) valued on a cyclical basis, from the 22/23 audit ▪ Lack of assurance over Reserves (cumulative nature)	Continuing impact from 2023/24: ▪ Lack of assurance over all the comparator I&E transactions, PPE and reserves. ▪ Due to gaps in PPE assurance, there is a likely lack of assurance over related in-year transactions. ▪ Potential for qualified except for, but more likely to be disclaimed	▪ Assurance in place over opening and closing balances, and assurance gained over each in-year movement. ▪ Likely gap over specific comparator balances may remain on PPE due to the extent items have not been valued since 2022/23. The impact on the CIES & reserves would require to be assessed. ▪ However, with the anticipation of incorporating build-back guidance focusing on reserves, there is increasing probability that gaps in assurance can be specifically identified, leading to higher likelihood of a qualified report (not disclaimed).	▪ Expectation that all items resolved. ▪ Auditor will need to reassess the PPE cyclical valuation impact - but may be able to work with the authority to ensure that items previously valued in 2022/23 were revalued by this time or would be immaterial.

CURRENT AUDIT STATUS OF THE POLICE AND CRIME COMMISSIONER FOR SUFFOLK AND THE CHIEF CONSTABLE OF SUFFOLK CONSTABULARY

- The PCC and CC's progress is in line with the expected timescales for rebuilding assurance set out in LARRIG 01.
- The main areas where further work is necessary to rebuild assurance are valuation of property, plant and equipment valued in 2022/23 and assurance over related Income and Expenditure entries, and assurance over reserves.
- Appendix B sets out in more detail the assurance we have gained by accounts area.

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Appendix B – Updated summary of assurances

Summary of Assurances

The table below summarises the audit work we have completed on the 2023/24 and 2024/25 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit.

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment (PPE) PCC	Partial	Partial	We have completed testing of the 2023/24 and 2024/25 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and 2024/25 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the PCC's right to recognize those assets. However, until we are able to rebuild assurance over PPE additions, disposals and revaluations in 2022/23, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2025.
Right of Use (ROU) Assets PCC	N/A	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Debtors PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Cash and Cash equivalents PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Investments PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Creditors PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Borrowings (short and long term) PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Provisions (short and long term) PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
ROU Lease Liabilities PCC	N/A	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Private Finance Initiative (PFI) Liabilities PCC	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Pension Scheme Liabilities PCC and CC	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024 and 31 March 2025.

Appendix B – Updated summary of assurances

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Reserves PCC and CC	None	None	We have completed our work on the movements in reserves in 2023/24 and 2024/25 but, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the PCC and CC reported in the financial statements.
Comprehensive Income and Expenditure Statement PCC and CC	Partial	Partial	We completed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24 and 2024/25 but, as we do not have full assurance over income and expenditure entries relating to PPE, we are unable to obtain assurance that all movements recorded in the statement are accurate.
Cash Flow Statement PCC and CC	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Police Pension Fund Accounting Statements PCC and CC	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Financial Statement Disclosures PCC and CC	Partial	Partial	We completed our planned testing of financial statement disclosures in 2023/24 and 2024/25 but, as we do not have full assurance over opening balances as at 1 April 2024 and the impact of PPE movements in 2022/23 on the CIES, we are unable to obtain assurance that all disclosures are accurate. Key disclosures where we do not have full assurance include the Expenditure and Funding Analysis as this is linked to the Comprehensive Income and Expenditure Statement.

Appendix C – Required communications with those charged with governance

Required communications with those charged with governance

There are certain communications that we must provide to those charged with governance. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit Plan – May 2025
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process	Audit Results Report – February 2026

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Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements	Audit Results Report – February 2026
Misstatements	▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management	Audit Results Report – February 2026

Fraud	▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity
	▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist
	▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving:
	  ▪ Management;
	  ▪ Employees who have significant roles in internal control; or
	  ▪ Others where the fraud results in a material misstatement in the financial statements.
	▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected
	▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud
	▪ Any other matters related to fraud, relevant to Audit Committee responsibility.
		Audit Results Report – February 2026

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity	Audit Results Report – February 2026
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	Audit Plan – May 2025 Audit Results Report – February 2026
External confirmations	▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures.	Audit Results Report – February 2026
Consideration of laws and regulations	▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	Audit Results Report – February 2026

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	**What is reported?**	**When and where**
Significant deficiencies in internal controls identified during the audit	▪ Significant deficiencies in internal controls identified during the audit.	Audit Results Report – February 2026
Group Audits	▪ An overview of the type of work to be performed on the financial information of the components ▪ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▪ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▪ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▪ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements.	Audit Plan – May 2025 Audit Results Report – February 2026
Written representations we are requesting from management and/or those charged with governance	▪ Written representations we are requesting from management and/or those charged with governance	Audit Results Report – February 2026
System of quality management	▪ How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit Results Report – February 2026
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	▪ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report – February 2026
Auditors report	▪ Any circumstances identified that affect the form and content of our auditor's report	Audit Results Report – February 2026

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Appendix D – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Journal Entry Testing	Testing of journals posted during the financial statement closedown process.	EY
IFRS 16	Testing over the completeness of the leases population	EY
Payroll	Completion of testing of employer deductions, which includes resolution of an outstanding query in relation to an adjustment to national insurance during the year	EY and management
Contracts	Testing of significant contracts	EY
Review procedures	Completion of final Manager and Partner review procedures	EY
Financial Statement review procedures	Receipt and final review of the revised Statement of Accounts	EY and management
Management representation letter	Receipt of signed management representation letter	EY, management and those charged with governance
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Whole of Government Accounts	EY to complete Whole of Government Accounts work in line with group instructions and NAO to confirm no further procedures are required	EY and NAO

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Statement of Accounts. At this point no issues have emerged that would cause us to modify our opinion.

Appendix E – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world and contends that over-centralisation is holding back the prosperity of the regions. As a result, there is an intention from Government to widen and deepen devolution to local areas across England. The English Devolution and Community Empowerment Bill (the Bill) in intended to provide the legislative framework to do this by setting out a standardised framework of devolved powers, duties and functions. The bill is in six parts:

- Part 1 introduces the new devolution architecture for England, centred around the new category of "strategic authorities" (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas.
- Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future.
- Part 3 is focused on measures designed to strengthen local government and communities.
- Part 4 in intended to strengthen the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office (LAO) as the body responsible for overseeing local audit.
- Part 5 concerns the banning of upwards only rent review clauses for commercial leases to prevent vacant shops and regenerate high streets in communities across England.
- Part 6 contains the technical sections related to the Bill, including on regulations, commencement and extent.

The draft legislation can be found in full at English Devolution and Community Empowerment Bill.

Part 4 of the Bill - Reforming local audit

The Bill is intended to overhaul the local audit system as is part of the wider measures to address the backlog in local government audit previously considered by this report. Specifically:

- The LAO will be established with the aim of radically simplifying the current audit system and bringing functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.
- The LAO will be responsible for audit quality and the regulation of audit providers. Regulatory powers can be delegated.
- The LAO will be responsible for auditor appointment to all local audits other than for NHS bodies, will set indicative fees, publish those fees and make final determinations on the fees to be paid. The ability of local authorities to appoint their own auditors is removed.
- Audit firms will be required to nominate 'lead individuals' and have pre-approval of their own eligibility criteria.
- The responsibility for production of the Code of Audit Practice passes from the NAO to LAO. The LAO is also able to determine technical standards that auditors must follow.
- Statutory guidance for Audit Committees will be developed by LAO in conjunction with the Local Government Association, CIPFA and other relevant bodies.

We will continue to keep you updated as these arrangements develop.

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Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

The Police and Crime Commissioner for Suffolk Letter of Representations for the Financial Year 2024/25

This letter of representations is provided in connection with your audit of the consolidated and financial statements of the Police and Crime Commissioner and Chief Constable ("the Group") and the Police and Crime Commissioner for Suffolk ("the PCC") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Group and PCC financial statements give a true and fair view of (or 'present fairly, in all material respects,') the financial position of the Police and Crime Commissioner for Suffolk as of 31 March 2025 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and the PCC, the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our Group and PCC financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and PCC, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2. We acknowledge, as members of management of the Group and PCC, our responsibility for the fair presentation of the Group and PCC financial statements. We believe the Group and PCC financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and PCC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.

3. The material accounting policy information adopted in the preparation of the Group and PCC financial statements are appropriately described in the Group and PCC financial statements.

4. As members of management of the Group and PCC, we believe that the Group and PCC have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

6. We confirm the Group and PCC does not have securities (debt or equity) listed on a recognized exchange.

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Group and PCC's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the Group and PCC financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with laws and regulations, including fraud, known to us that may have affected the Group or PCC (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), including non-compliance matters:
    - Involving financial improprieties
    - Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Group and PCC financial statements
    - Related to laws and regulations that have an indirect effect on amounts and disclosures in the Group and PCC financial statements, but compliance with which may be fundamental to the operations of the Group and PCC's business, its ability to continue in business, or to avoid material penalties
    - Involving management, or employees who have significant roles in internal control, or others
    - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
    - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
    - Additional information that you have requested from us for the purpose of the audit; and
    - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the Group and PCC financial statements.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through 2024/25 to the most recent meeting on the following date: XX February 2026.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and PCC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year-end. These transactions have been appropriately accounted for and disclosed in the Group and PCC financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

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Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

6. We have disclosed to you, and the Group and PCC has complied with, all aspects of contractual agreements that could have a material effect on the Group and PCC financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the Group and PCC financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Group and PCC financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note [X] to the Group and PCC financial statements all guarantees that we have given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

E. Ownership of Assets

1. Except for assets recognised as right-of use assets in accordance with IFRS 16 Leases, the Group and PCC has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Group and PCC's assets, nor has any asset been pledged as collateral, other than those that are disclosed in Note [X] to the financial statements. All assets to which the Group and PCC has satisfactory title appear in the balance sheet(s).
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the Group and PCC financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in Note [X] to the Group and PCC financial statements, we have no other line of credit arrangements.

F. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Group and PCC financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

G. Estimates

1. We confirm that the significant judgments made in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme.
3. We confirm that the significant assumptions used in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme appropriately reflect our intent and ability to provide police services and pension benefits in line with our statutory responsibilities on behalf of the entity.
4. We confirm that the disclosures made in the Group and PCC financial statements with respect to the accounting estimates, including those describing estimation uncertainty are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Group and PCC financial statements.

H. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Reserves

1. We have properly recorded or disclosed in the Group and PCC financial statements the usable and unusable reserves.

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the Group and PCC financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the Group and PCC financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

K. Going Concern

1. Note [X] to the Group and PCC financial statements discloses all the matters of which we are aware that are relevant to the Group and PCC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

L. Subsequent Events

1. As described in Note [X] to the Group and PCC financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the Group and PCC financial statements or notes thereto.

M. Group audits

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the PCC and CC.

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Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

N. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises Group and PCC Annual Governance Statement and the Narrative Report.
2. We confirm that the content contained within the other information is consistent with the financial statements.
3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

O. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the Group and PCC financial statements.
2. The key assumptions used in preparing the Group and PCC financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

____

(Chief Financial Officer - PCC)

____

(Police and Crime Commissioner)

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Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

The Chief Constable of Suffolk Constabulary Letter of Representations for the Financial Year 2024/25

This letter of representations is provided in connection with your audit of the financial statements of The Chief Constable of Suffolk Constabulary ("the CC") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Chief Constable of Suffolk Constabulary as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the CC, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the CC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the CC, we believe that the CC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
6. We confirm the CC does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the CC's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to us that may have affected the CC (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:
   - involving financial improprieties;
   - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the CC's financial statements;
   - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the CC's activities, its ability to continue to operate, or to avoid material penalties;
   - involving management, or employees who have significant roles in internal controls, or others; or
   - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
   - Additional information that you have requested from us for the purpose of the audit; and
   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the CC and Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through 2024/25 to the most recent meeting on the following date: XX February 2026.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the CC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year-end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
6. We have disclosed to you, and the CC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

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Appendix F – Management representation letter

Management representation letter (draft)

Management Rep Letter

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note [X] to the financial statements all guarantees that we have given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

E. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the Pension Fund valuations for LGPS and the Police Pension Scheme and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

F. Estimates

1. We confirm that the significant judgments made in making the Pension Fund valuations for LGPS and the Police Pension Scheme have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the Pension Fund valuations for LGPS and the Police Pension Scheme.
3. We confirm that the significant assumptions used in making the Pension Fund valuations for LGPS and the Police Pension Scheme appropriately reflect our intent and ability to provide police services and pension benefits in line with our statutory responsibilities on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the Pension Fund valuations for LGPS and the Police Pension Scheme.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

G. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

H. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

I. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).

Management Rep Letter

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

J. Going Concern

1. Note [X] to the financial statements discloses all the matters of which we are aware that are relevant to the CC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

K. Subsequent Events

1. As described in Note [X] to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

L. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the CC Annual Governance Statement and the Narrative Report.

2. We confirm that the content contained within the other information is consistent with the financial statements.

3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

M. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

____

(Chief Financial Officer - CC)

____

(Chief Constable)

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EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

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[To be prepared on the entity's letterhead]

[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

The Police and Crime Commissioner for Suffolk Letter of Representations for the Financial Year 2024/25

This letter of representations is provided in connection with your audit of the consolidated and financial statements of the Police and Crime Commissioner and Chief Constable ("the Group") and the Police and Crime Commissioner for Suffolk ("the PCC") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Group and PCC financial statements give a true and fair view of (or 'present fairly, in all material respects,') the financial position of the Police and Crime Commissioner for Suffolk as of 31 March 2025 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and the PCC, the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25**.**

We understand that the purpose of your audit of our Group and PCC financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and PCC, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2. We acknowledge, as members of management of the Group and PCC, our responsibility for the fair presentation of the Group and PCC financial statements. We believe the Group and PCC financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and PCC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.

3. The material accounting policy information adopted in the preparation of the Group and PCC financial statements are appropriately described in the Group and PCC financial statements**.**

4. As members of management of the Group and PCC, we believe that the Group and PCC have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

6. We confirm the Group and PCC does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Group and PCC's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the Group and PCC financial statements may be materially misstated as a result of fraud.

4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with laws and regulations, including fraud, known to us that may have affected the Group or PCC (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), including non-compliance matters:

    - Involving financial improprieties
    - Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Group and PCC financial statements
    - Related to laws and regulations that have an indirect effect on amounts and disclosures in the Group and PCC financial statements, but compliance with which may be fundamental to the operations of the Group and PCC's business, its ability to continue in business, or to avoid material penalties
    - Involving management, or employees who have significant roles in internal control, or others
    - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the Group and PCC financial statements.

3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through 2024/25 to the most recent meeting on the following date: XX February 2026.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and PCC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year-end. These transactions have been appropriately accounted for and disclosed in the Group and PCC financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

6. We have disclosed to you, and the Group and PCC has complied with, all aspects of contractual agreements that could have a material effect on the Group and PCC financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the Group and PCC financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Group and PCC financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note *[X]* to the Group and PCC financial statements all guarantees that we have given to third parties.

4. No other claims in connection with litigation have been or are expected to be received.

E. Ownership of Assets

1. Except for assets recognised as right-of use assets in accordance with IFRS 16 *Leases*, the Group and PCC has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Group and PCC's assets, nor has any asset been pledged as collateral, other than those that are disclosed in Note *[X]* to the financial statements. All assets to which the Group and PCC has satisfactory title appear in the balance sheet(s).

2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the Group and PCC financial statements.

3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in Note *[X]* to the Group and PCC financial statements, we have no other line of credit arrangements.

F. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Group and PCC financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

G. Estimates

1. We confirm that the significant judgments made in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme have taken into account all relevant information of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme.

3. We confirm that the significant assumptions used in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme appropriately reflect our intent and ability to provide police services and pension benefits in line with our statutory responsibilities on behalf of the entity.

4. We confirm that the disclosures made in the Group and PCC financial statements with respect to the accounting estimates, including those describing estimation uncertainty

are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

5. We confirm that appropriate specialized skills or expertise has been applied in making the Property, Plant and Equipment and Pension Fund valuations for LGPS and the Police scheme.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Group and PCC financial statements.

H. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Reserves

1. We have properly recorded or disclosed in the Group and PCC financial statements the usable and unusable reserves.

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the Group and PCC financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the Group and PCC financial statements).

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

K. Going Concern

1. Note *[X]* to the Group and PCC financial statements discloses all the matters of which we are aware that are relevant to the Group and PCC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

L. Subsequent Events

1. As described in Note *[X]* to the Group and PCC financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the Group and PCC financial statements or notes thereto.

M. Group audits

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the PCC and CC.

N. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises Group and PCC Annual Governance Statement and the Narrative Report.

2. We confirm that the content contained within the other information is consistent with the financial statements.

3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

O. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the Group and PCC financial statements.

2. The key assumptions used in preparing the Group and PCC financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

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(Chief Financial Officer - PCC)

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(Police and Crime Commissioner)

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

The Chief Constable of Suffolk Constabulary Letter of Representations for the Financial Year 2024/25

This letter of representations is provided in connection with your audit of the financial statements of The Chief Constable of Suffolk Constabulary ("the CC") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Chief Constable of Suffolk Constabulary as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2. We acknowledge, as members of management of the CC, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the CC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25*,* and are free of material misstatements, including omissions. We have approved the financial statements.

3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.

4. As members of management of the CC, we believe that the CC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

6. We confirm the CC does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the CC's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to us that may have affected the CC (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:

    - involving financial improprieties;

    - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the CC's financial statements;

    - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the CC's activities, its ability to continue to operate, or to avoid material penalties;

    - involving management, or employees who have significant roles in internal controls, or others; or

    - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have made available to you all minutes of the meetings of the CC and Joint Independent Audit Committee (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through 2024/25 to the most recent meeting on the following date: XX February 2026.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the CC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year-end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

6. We have disclosed to you, and the CC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note *[X]* to the financial statements all guarantees that we have given to third parties.

4. No other claims in connection with litigation have been or are expected to be received.

E. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the Pension Fund valuations for LGPS and the Police Pension Scheme and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

F. Estimates

1. We confirm that the significant judgments made in making the Pension Fund valuations for LGPS and the Police Pension Scheme have taken into account all relevant information of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the Pension Fund valuations for LGPS and the Police Pension Scheme.

3. We confirm that the significant assumptions used in making the Pension Fund valuations for LGPS and the Police Pension Scheme appropriately reflect our intent and ability to provide police services and pension benefits in line with our statutory responsibilities on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

5. We confirm that appropriate specialized skills or expertise has been applied in making the Pension Fund valuations for LGPS and the Police Pension Scheme.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

G. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

H. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

I. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

J. Going Concern

1. Note *[X]* to the financial statements discloses all the matters of which we are aware that are relevant to the CC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

K. Subsequent Events

1. As described in Note *[X]* to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

L. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the CC Annual Governance Statement and the Narrative Report.

2. We confirm that the content contained within the other information is consistent with the financial statements.

3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

M. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the

statements we have made in the other information or other public communications made by us.

Yours faithfully,

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(Chief Financial Officer - CC)

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(Chief Constable)

Suffolk Police and Crime Commissioner

Making Suffolk a safer place to live, work, travel and invest

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ANNUAL GOVERNANCE STATEMENT FOR 2024/25

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1 INTRODUCTION

The Annual Governance Statement concerns itself with the Police and Crime Commissioner's (PCC) governance arrangements and explains the extent to which the PCC complies with his Code of Corporate Governance, and which in turn is consistent with the seven principles of good governance.

The document has been drawn having regard to Delivering Good Governance: Guidance notes for Policing Bodies in England and Wales 2016 Edition published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

This Annual Governance Statement reflects the position for the financial year 2024/25.

2 SCOPE OF RESPONSIBILITIES

The PCC is responsible for ensuring that his business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

In discharging this responsibility, the PCC must put in place proper arrangements for the governance of his affairs and for facilitating the exercise of his functions. This includes ensuring there is a sound system of governance (incorporating the system of internal control) maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable of the Suffolk Constabulary to support the governance and risk management processes.

The PCC has approved and adopted a Code of Corporate Governance, which is consistent with Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales published in 2016 by CIPFA. The PCC's Code of Corporate Governance was reviewed during 2016 to accommodate the seven governance principles contained within the Guidance Notes referred to above so that with effect from 1 January 2017 a revised code replaced the previous 2013 edition [(see Decision No 49 - 2016).](#)

A copy of the Code is available on the PCC website at www.suffok-pcc.gov.uk or can be obtained from the Office of the PCC at Police Headquarters, Martlesham Heath, Ipswich, IP5 3QS. This Annual Governance Statement explains how the PCC has complied with the Code of Corporate Governance.

The PCC's Chief Finance Officer has reviewed the PCC's financial management arrangements against the governance requirements set out in Principle 3 of the CIPFA Statement upon the role of the Chief Finance Officer to the PCC. She is satisfied that the PCC's financial management arrangements conform with each of the governance requirements set out in Principle 3 and that accordingly public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

Both the PCC and the Chief Constable are subject to the Accounts and Audit Regulations 2015. These Regulations require all relevant bodies to prepare an Annual Governance Statement which must accompany the Statement of Accounts. Group accounts must be completed by the PCC for the PCC and Chief Constable, and the Chief Constable must complete individual accounts. Both the PCC and the Chief Constable are required to produce Annual Governance Statements.

3 THE PURPOSE OF THE GOVERNANCE FRAMEWORK AND GOOD GOVERNANCE

The governance framework comprises the systems, processes, culture and values by which the PCC directs himself and maintains control and the activities through which he accounts to and engages with the community. It enables the PCC to monitor the achievement of strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.

Good governance is about how decisions are made, focusing on matters such as understanding and clarity of aims, the integrity, fairness and transparency of decisions and the effectiveness of controls and accountability mechanisms. Good governance means doing what is right and doing it properly and must be central to the culture of the organisation.

4 THE GOVERNANCE FRAMEWORK

This section describes the key elements of the structures, systems and processes that comprise the PCC's governance arrangements. In producing this explanation steps have been taken to ensure that the actions identified in the PCC's Code of Corporate Governance are being addressed. This statement refers to a number of documents and decisions made by the PCC which help to illustrate the Governance Framework of the PCC. These documents and decisions are available through the PCC website at www.suffolk-pcc.gov.uk.

a Identification, Communication and Review of the PCC's Aim and Objectives

This section describes how the PCC's vision for his purpose and the intended outcomes for citizens and service users are identified and communicated.

Police and Crime Plan

A Police and Crime Plan for the period 2022–2025 was produced to apply from 1 April 2022 (see Decision No 10 - 2022) and succeeded the 2017-2021 Plan. Its production complied with the processes required to be adopted by legislation.

The Plan clearly articulates the PCC's police and crime objectives. To enable the PCC's vision for policing to become a reality, and to drive delivery by the Chief Constable and the Office of the PCC, the objectives and the related activity in the Plan have been translated into a Performance Framework. The Performance Framework outlines how progress against the Plan will be assessed and how it informs the Schedule of Business considered at the PCC's Accountability and Performance Panel meetings.

Annual Report

The PCC is required to produce an Annual Report. The PCC produced an Annual Report for 2024/5 which was formally submitted to the Police and Crime Panel for consideration in October 2025.

The production of an Annual Report provides an opportunity for the PCC to report upon progress in relation to his activities, achievements, financial position and performance.

b Ensuring Delivery of Services and the Best Use of Resources

This section explains how the quality of policing and crime services is measured and how the PCC ensures that the services are delivered in accordance with his objectives. Further it explains how it is ensured that the services represent the best use of resources.

Police and Crime Objectives

The Police and Crime Plan referred to above contains the police and crime objectives which contribute toward achieving the PCC's overall aim of making Suffolk a safer place in which to live, work, travel and invest.

Objective 2 of the Plan is to "Provide Services which support victims of crime and invest in initiatives which reduce crime and disorder". This is specifically about how the PCC uses his powers to make grants and commission services to support victims of crime and reduce crime and disorder.

Where the PCC has awarded grant monies to organisations, this has been undertaken against robust business cases which clearly set out the success criteria and how the initiative for which funding is sought will deliver clear and measurable outcomes against the police and crime objectives. Where funding has been awarded to a body, that body reports on outcomes and progress deriving from the grant to the PCC. In most cases, and particularly for larger grants and contracts, there are formal contact monitoring arrangements (including quarterly meetings) in place. The PCC may require the attendance of grant recipients at a public meeting of the PCC's Accountability and Performance Panel. All grant and contract funding decisions are published on the PCC website. An assurance review of commissioning was conducted by internal audit as part of the 2023/24 internal audit plan and the final audit report was received in November 2024. This area was assessed as having a robust system of internal controls which are operating effectively to ensure that risks are managed and process objectives achieved and resulted in a grading of "substantial assurance" with no action points noted.

Accountability and Performance Panel

The PCC has established the Panel primarily to hold the Chief Constable to account in a public forum. A Schedule of Business for the Panel is published and maintained to provide clarity on forthcoming items. The Panel's Schedule of Business helps the PCC to monitor activity set out in the Police and Crime Plan through thematic reports. The Panel monitors performance in a number of areas and which includes financial monitoring, compliance with the Strategic Policing Requirement, protective services, human resources issues, stop and search, children and equality issues. The Constabulary Risk Register is also viewed regularly in private session at Panel meetings.

Medium-Term Financial Plan

The Medium-Term Financial Plan (MTFP) for 2024/25 to 2027/28 was drawn up following publication of the Provisional Police Grant Report (England and Wales) 2024/25 in December 2023. Delivery of a balanced budget throughout the period of the MTFP is dependent upon the Constabulary continuing to make savings and improving effectiveness. This is monitored formally by the PCC through the Accountability and Performance Panel. The position is monitored on the PCC's behalf on a day-to-day basis by the PCC's Chief Finance Officer.

For more information on the MTFP 2024/25 to 2027/28 see Decision No 1 – 2024 on the PCC website.

Publication of the Provisional Police Grant Report (England and Wales) 2025/26 occurred in December 2024 and, following this, an MTFP for 2025/26 to 2028/29 was approved by the PCC in January 2025. The final police settlement for 2025-26 was announced on 30 January 2025 and included additional funding for 2025-26 Neighbourhood Policing above that announced at the provisional funding settlement.

For more information on the MTFP 2025/26 to 2028/29 see Decision No 3 - 2025.

Inspection

The PCC and Chief Constable carry out a large number of internal inspections each year, through the joint programme of linked audits undertaken by the Internal Auditors.

There are also a number of external inspections undertaken of the Constabulary, in the main by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) but also including the external auditors. Reports from the external inspections and auditors are considered variously by the PCC. Where actions are required and as appropriate, the necessary improvements are monitored by the PCC by consideration of progress against action plans. Any matters of concern may be recorded upon the PCC's Risk Register.

All inspections of the Constabulary by HMICFRS are available on the PCC's website together with the statutory responses from the PCC to the Home Secretary upon the inspections.

Overall, therefore there are robust and effective arrangements for ensuring that policing services are delivered in accordance with the PCC's objectives and to a high standard and further for ensuring that they represent the best use of resources.

c Roles and Responsibilities

This section explains the definition and documentation of the roles and responsibilities of the PCC, his statutory officers and those exercising delegated authority on his behalf. The nature of the delegation arrangements for challenging and scrutinising Constabulary activity are also explained.

PCC Functions

As a corporation sole established by statute the PCC performs a number of functions that are provided for in legislation, namely the Police Reform and Social Responsibility Act 2011. Principal amongst those functions are the duties to secure the maintenance of the police force, secure that the force is efficient and effective, and to hold the Chief Constable to account for the exercise of their functions and those under their direction and control.

The functions and responsibilities of the PCC are discharged by the PCC himself except insofar as the performance of the functions is delegated.

PCC's Governance Scheme

The PCC has established a corporate governance framework, known as the Scheme of Governance and Consent. The Scheme contains a number of elements. Key amongst them are:

- Delegations by the PCC;
- Financial Regulations;
- Contract Standing Orders; and the
- Decision-Making and Accountability Framework.

The Scheme is monitored on a continuous basis to ensure it is fit for purpose. The Scheme was amended during 2024/25 following the annual review of the financial regulations (see PCC Decision No 20 - 2024).

Decision-Making and Accountability Framework

The Decision-Making and Accountability Framework has been developed to enable the PCC and those exercising delegated authority on behalf of the PCC to make robust, well-informed and transparent decisions and hold the Chief Constable to account. The formalities relating to the making of decisions are clearly established with decisions, apart from those where there are reasons of confidentiality, being published on the PCC's website. The decision–making arrangements are detailed in the Scheme of Governance and Consent which is published on the PCC's website.

The accountability arrangements are similarly explained in the Scheme of Governance and Consent. In order to hold the Chief Constable to account and to enable issues to be discussed (and where appropriate decisions made) in public, the PCC established an Accountability and Performance Panel. This Panel, scheduled to meet every two months, is the primary vehicle by which the PCC holds the Chief Constable to account in a public forum.

In addition to this formal accountability mechanism there are also regular meetings between the PCC and Chief Constable. Currently arranged on approximately a weekly basis, they are also attended by staff of the Office of the Police and Crime Commissioner (OPCC) including the Chief Executive, the Chief Finance Officer and the Head of Communications and Engagement. From the Constabulary, the Deputy Chief Constable, Assistant Chief Constables, Chief Constable's Chief Finance Officer and the Chief of Staff also attend, as required.

Delegations by the PCC

Delegations by the PCC are found in the Scheme of Governance and Consent. The Delegations identify those powers of the PCC which may be exercised by officers on his behalf. The Scheme requires to be read and operated together with the Decision-Making and Accountability Framework, as well as the Financial Regulations and Contract Standing Orders and which are available through the PCC website.

The four essential elements of the Scheme of Governance and Consent provide for how, in addition to operating within statutory parameters, the decisions of the PCC and those exercising authority on his behalf, are made.

The Chief Executive of the OPCC and the PCC's Chief Finance Officer monitor the Scheme of Governance and Consent on a continuous basis to ensure it is fit for purpose.

Officer Roles

The Chief Executive of the OPCC, the PCC's Chief Finance Officer, the Chief Constable and others as appropriate, are required to advise and support the PCC in meeting his responsibilities.

Chief Executive of the OPCC

The Chief Executive's role is to support and advise the PCC in delivering his Police and Crime Plan and in undertaking his statutory duties and responsibilities. As well as responsibility for the management and day-to-day running of the Office of the PCC, the Chief Executive is also the Head of Paid Service and the Monitoring Officer. In discharging the Monitoring Officer role, the Chief Executive is required to report to the PCC if it appears that any proposal, decision or failure within their organisation constitutes, has given rise to, or is likely to break the law or a code of practice. Whilst the Chief Executive will look to find ways to achieve a desired outcome, the Monitoring Officer responsibility will ensure that any solution adopted is lawful and proportionate. The Chief Executive also discharges the statutory role of Data Protection Officer (PCC Decision No 13 - 2018).

The long-standing Chief Executive of the OPCC retired on 31 March 2024. A decision was made to appoint an acting Chief Executive, ensuring compliance with the Police Reform and Social Responsibility Act 2011, until a substantive recruitment exercise could be undertaken following the PCC elections in May 2024 (see Decision No 35 - 2023). A recruitment process took place in Autumn 2024 and the successful candidate began in role on 3 March 2025 (see Decision No 2 - 2025).

PCC's Chief Finance Officer

The PCC's Chief Finance Officer is required to ensure that the financial affairs of the PCC are properly administered. Whilst the PCC's professional adviser on financial matters, the PCC's Chief Finance Officer also has similar legal duties and responsibilities to the Monitoring Officer in connection with any unlawful, or potentially unlawful, spending by the PCC or those acting on the PCC's behalf.

The Chief Executive and PCC's Chief Finance Officer continually consider the resources and support necessary to perform effectively in their roles.

Papers to be considered by the PCC for decision are scrutinised by the Chief Executive of the OPCC and/or PCC's Chief Finance Officer, as appropriate for compliance purposes. Indeed, any submission for decision by the PCC must be certified by the Chief Executive. More information about the roles and responsibilities of the Chief Executive of the OPCC and the PCC's Chief Finance Officer can be found in the Scheme of Governance and Consent.

Chief Constable

The role and responsibilities of the Chief Constable are set out in the common law, legislation and Chief Constable's job description, amongst other sources. The Police Reform and Social Responsibility Act 2011 and the Policing Protocol 2023 are key in this regard. The key roles of the Chief Constable are briefly summarised in the PCC's Scheme of Governance and Consent.

Scheme of Governance and Consent

The Scheme of Governance and Consent comprises a number of key elements including Financial Regulations, Contract Standing Orders and the Delegations of the PCC. There is no separate Scheme of Consent; rather the consents granted to the Chief Constable appear as appropriate throughout the document. They relate in particular to the extent of, and any conditions attaching to, the PCC's consent to the Chief Constable and others to exercise powers to enter into contracts and acquire or dispose of property.

The Police and Crime Panel

Whilst the PCC is ultimately accountable to the electorate, the Panel provides a check and balance in relation to performance of the PCC. The Panel scrutinises the PCC's exercise of their statutory functions. Comprising 11 councillors from county, district and borough councils and 2 co-opted members and appointed independently of the PCC, the Panel exercises its functions with a view to supporting the effective exercise of the PCC's functions. It has two powers of veto in relation to the PCC's proposed precept and the appointment of a Chief Constable.

d Standards of Conduct

Code of Ethics

The College of Policing has produced a national Code of Ethics for policing which was revised in January 2024 and sets out the principles and standards of behaviour that will promote, reinforce and support high moral and ethical standards from everyone who works in policing in England and Wales. The revised Code has been shared with all members of the staff of the OPCC and is available on the Constabulary intranet.

PCC

The Local Policing Bodies (Specified Information) Order 2011 (as amended) requires a PCC to publish "a statement of the elected local policing body in relation to the conduct of relevant office holders, including procedures for the handling of qualifying complaints and conduct matters". The PCC has adopted a Statement of Policy upon Ethical Conduct to meet this obligation (see PCC

Decision No 12 - 2014). The Chief Executive reviewed the Policy on 4 January 2017 and concluded that no material change were required and that it remained valid in its current form. Notable within the Policy is the PCC's commitment to openness and serving the public interest.

The PCC is accountable to the electorate for his conduct. Upon taking up office the PCC made a statutory declaration of acceptance of office by which he committed to serving all the people of Suffolk. In making the declaration he promised to act with integrity, give the public a voice, be transparent and be accountable to the public. In discharging his responsibilities he is expected to adhere to the Nolan principles relating to standards of behaviour in public life. Briefly stated these relate to selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

These principles have been developed in producing the Statement of Policy. The Policy sets out the Standards of Conduct that the PCC has set himself and gives examples of how he demonstrates that he meets those standards. The PCC is also subject to the Official Secrets Act 1989 in the same way as police officers.

Complaints against the PCC fall to be considered under the Elected Policing Bodies (Complaints and Misconduct) Regulations 2012. The appropriate authority for complaints made against the PCC is the Police and Crime Panel. The Panel is responsible for the initial recording of complaints and conduct matters and for referring any complaints which allege criminality to the Independent Office for Police Conduct. Where complaints do not allege criminality, the Panel is responsible for handling and informally resolving these complaints. At its meeting on 25 January 2013 the Panel delegated to the PCC's Chief Executive responsibility for receipt, initial handling and recording of complaints, and to the Monitoring Officer of Suffolk County Council, responsibility for securing informal resolution of complaints.

Under the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) the PCC is required to maintain a register of interests of the PCC. Accordingly, the Register of Interests is maintained and available for examination via the PCC's website.

Officers and others

As well as the Code of Ethics referred to above, OPCC staff are subject to rules of conduct applicable under their contracts of employment. As an accountant, the PCC's Chief Finance Officer is also subject to a professional code of conduct.

Complaints against the PCC officers (and other volunteers utilised by the PCC) are handled in accordance with the explanation found on the PCC's website. The PCC is committed to maintaining the highest levels of honesty and integrity and the prevention of corrupt, dishonest, unethical and unprofessional behaviour. All PCC staff and volunteers performing custody visitor duties are subject to police vetting processes. The PCC's vetting policy is set out in PCC Decision No 7 - 2013.

Gifts and Hospitality

Under the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) the PCC is required to publish a register of each offer of gift or hospitality made to the PCC or a member of staff, indicating whether the offer was accepted or refused. Accordingly, a Register of Gifts and Hospitality is maintained and is available for examination via the PCC's website.

<u>Fraud</u>

The Constabulary intranet site is proactively used on a regular basis to remind all officers and staff of their various responsibilities relating to fraud, ethical behaviour and other related matters.

Fraud is deterred through the exercise of policies and procedures. The latest approved Anti-Fraud and Corruption Policy is available on the staff intranet site. This Policy sets out the processes for identifying and responding to fraud. The Constabulary's Anti-Corruption Unit will investigate allegations of fraud, and the internal auditor may be engaged when required. All cases of alleged fraud would be reported to the executive of both the Constabulary and the OPCC.

The Confidential Reporting and Whistleblowing Policy (Breaches of Professional Standards) is also available on the staff intranet site and aims to ensure that officers and staff feel obligated and able to report actual or suspected wrongdoing and sets out the processes for how this can be done.

The Financial Regulations set out the requirement for internal financial controls to prevent and deter fraud, and include the arrangements for dealing with suspected fraud, theft, irregularity and improper use or misappropriation of property or resources. In addition, regular internal audits and vetting of staff all contribute to deterring fraud.

e Governance Scheme, including Contract Standing Orders, Financial Regulations and their Update

This section explains the arrangements that apply for Contract Standing Orders and Financial Regulations, both of which are part of the Scheme of Governance and Consent (see section c above).

<u>Financial Regulations</u>

The PCC has adopted a set of Financial Regulations as a part of the Scheme of Governance and Consent. Available through the PCC website, the Regulations are a major part of the overall governance arrangements for the PCC and help establish a sound internal control environment. In order to conduct business effectively, the PCC and Chief Constable need to ensure that sound financial management policies are in place and that they are strictly adhered to. The Regulations that have been adopted have been drawn up to ensure that the financial affairs of the PCC and the Chief Constable are conducted properly and in compliance with all necessary requirements. They are designed to establish overarching financial responsibilities, and to provide clarity about the financial accountabilities of groups or individuals. They apply to all OPCC staff and all of the Chief Constable's officers and staff and anyone acting on their behalf.

The Financial Regulations cannot be viewed in isolation but rather as part of the overall regulatory framework of the Scheme of Governance and Consent.

The Regulations are subject to continuous monitoring by the PCC's Chief Finance Officer and Chief Executive to ensure they are fit for purpose in view of the constantly changing environment.

The Regulations are joint Regulations with the Norfolk policing area such that the Norfolk and Suffolk police areas operate under the same Financial Regulations. They were reviewed in 2024 (PCC Decision No 20 - 2024) and minimal changes were made.

Contract Standing Orders

The Contract Standing Orders govern the relationship between the PCC, Chief Constable and others in relation to the entering into of contracts. In January 2019 the PCC and Chief Constable entered into a collaboration agreement with their counterparts for the police areas of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent and Norfolk in relation to procurement. In this agreement a common set of Contract Standing Orders have been agreed for the seven police areas and these now supersede the orders that applied between the Suffolk and Norfolk police areas.

f Risk Management

Risk Management Strategy

A key aspect of decision-making by the PCC relates to risk management. The PCC has adopted a Risk Management Strategy which is encapsulated within the document Risk Management Strategy (incorporating the statement of responsibilities). The PCC seeks to identify, analyse and prioritise the risks faced. He then seeks to manage and control the risks in order to maximise the quality and efficiency of service provision. The strategy recognises the importance of working closely with the Constabulary and sets out clearly the various responsibilities of the individuals and groups in the risk management regime.

The Chief Executive has overall responsibility for overseeing the PCC approach to risk management. The Chief Executive reviewed the Risk Management Strategy in July 2021 and made a number of modifications which were approved by the PCC (PCC Decision No 24 - 2021). The Risk Management Strategy was also reviewed in 2024 with no changes recommended.

Both the PCC and the Chief Constable maintain strategic risk registers which are regularly reviewed.

All submissions to the PCC for decision are required to address risk and this is specifically provided for in the Strategy.

All reports to the PCC's Accountability and Performance Panel require the originators to address the risks associated with the subject matter of the report. This approach attempts to ensure that risk management plays a major role in the key elements of the PCC's work relating to financial and budgetary management, service planning and performance management.

The latest internal audit report on Risk Management was reported in February 2025. The objective of the audit was to provide assurance on the governance structures and scrutiny processes put in place to ensure effective Risk Management across the organisation, including embedding risk, risk identification and risk mitigation. This audit was graded as "reasonable" assurance with 1 "important" and 2 "routine" recommendations raised which will be followed up by management and is available on the OPCC website.

g The Role and Functioning of the Audit Committee

Audit Committee

As defined by the Chartered Institute for Public Finance and Accountancy's (CIPFA) 2022 Position Statement on Audit Committees in local authorities and police, the purpose of the Audit Committee is *"to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements."*

In order to undertake this role, the Committee takes assurance from inspections carried out upon the activities of the PCC and Chief Constable. Inspection reports originate, as appropriate, from a number of sources, including internal audit, the external auditors and His Majesty's Inspectorate of Constabulary and Fire and Rescue Services, as well as other periodic reports on key issues of the control environment. The Annual Governance Statement itself is also a document from which the Audit Committee is able to take assurance.

The Audit Committee agrees an Annual Report upon its activities each year and these are published on the PCC website.

In January 2025 the Audit Committee collectively completed CIPFA's Audit Committee Self-Assessment of Good Practice. An Audit Committee Action Plan was formulated on the basis of the self-assessment and an Audit Committee Workshops was arranged for July 2025 to strengthen areas identified for improvement.

For further information upon the Audit Committee, reference should be made to the Decision-Making and Accountability Framework comprised within the Scheme of Governance and Consent.

h Compliance with Law and Internal Policy and Procedure

This section addresses the arrangements that are in place to ensure that relevant law is complied with by the PCC and to ensure that internal policy and procedure is observed. In particular, the arrangements to ensure that all expenditure by the PCC is lawful are described.

Statutory Officers

The PCC is responsible for securing an efficient and effective police service for the area, for observing the duties imposed and exercising the powers conferred by legislation. The Chief Executive of the OPCC and the PCC's Chief Finance Officer are required to support and advise the PCC in delivering his Police and Crime Plan, and in undertaking his statutory duties and responsibilities. This includes in relation to strategy and resource planning, working in partnership with others, commissioning and service delivery, engagement and information management, scrutiny, evaluation and performance.

The Chief Executive of the OPCC is a statutory officer. Whilst responsible for the effective and efficient administration of the PCC's office, they also fulfil the statutory role of monitoring officer. In this regard the Chief Executive has responsibility to draw to the PCC's attention any actual or possible contravention of law, maladministration or injustice.

The PCC's Chief Finance Officer, also a statutory officer, has similar responsibilities relating to financial management and governance, and is similarly required to report issues of a financial nature to the PCC where they may give rise to a breach of requirements, be they statutory or otherwise.

All originators of submissions to the PCC for decisions are required to consider a number of issues in the production of their submissions, namely legal, financial, equality, diversity and human rights, human resources, consistency with the objectives of the Police and Crime Plan, consultation, media and ethical factors. The Chief Executive of the OPCC must be satisfied that all relevant advice has been taken into account in the preparation of a submission before it is considered by the PCC. Similar issues must be considered by originators in the production of reports for the PCC's Accountability and Performance Panel.

Whilst the PCC is reliant upon the statutory professional officers to scan and monitor the environment for potential legislative impacts upon him, he is also assisted by numerous professional networks. These include the Association of Police and Crime Commissioners (APCC) which, amongst other things, is a source of support and advice to PCCs. This is supplemented by the Chief Executive of the OPCC and PCC's Chief Finance Officer membership of the Association of Policing and Crime Chief Executives (APACE) and the Police and Crime Commissioners' Treasurers' Society (PACCTs) respectively, both of which provide a conduit for further professional advice. Technical support services of a financial nature, in common with other police areas, are received from Somerset County Council.

Each year a programme of internal audits is undertaken which is aimed at ensuring compliance with internal policy and procedure. The Plan of internal audits, considered by the Audit Committee, takes into account current corporate governance and risk management issues as well as the risk appetite of the PCC and Chief Constable.

It is clear therefore that there are numerous mechanisms across the PCC's office whereby steps are taken to ensure the PCC complies with both his external and internal obligations.

i Whistleblowing and Complaints

This section describes the processes for whistleblowing and explains the transparent and accessible arrangement for handling complaints.

Whistleblowing

The statutory provisions relating to whistleblowing apply to police officers and police staff alike. This means that such staff are able to make disclosures protected by the legislation and remain protected from action by their employer. These statutory provisions are reflected in the policies that apply to staff of the OPCC and the Constabulary and explain the action to be taken in cases of whistleblowing.

Complaints

The handling of complaints relating to the police service is an intricate and complex combination of statutory and employment related provisions. The PCC's website provides information regarding the various types of complaint which might arise and to where complaints should be addressed. It also advises on how the Office of the PCC deals with complaints which are its responsibility.

The PCC has also adopted a Statement of Policy and Procedure upon the Police Complaints and Conduct System (see Decision No 3 - 2020) which sets out some of the key aspects of the law and responsibilities relating to the PCC in this area and how they will be applied.

Complaints against the PCC

The appropriate authority for complaints made against the PCC is the Police and Crime Panel. The Police and Crime Panel is responsible for initial recording of complaints and conduct matters and for referring any complaints which allege criminality to the Independent Office for Police Conduct (IOPC). Where complaints do not allege criminality, the Police and Crime Panel is responsible for handling and informally resolving these complaints. The Police and Crime Panel has determined that the Chief Executive of the Office of the PCC shall have delegated authority for the receipt and initial handling and recording of complaints against the PCC. However, the Monitoring Officer of Suffolk County Council has responsibility for securing the informal resolution of complaints as appropriate. Complaints are handled in accordance with the Elected Policing Bodies (Complaints and Misconduct) Regulations 2012.

Complaints against the Chief Constable

The PCC is the appropriate authority for a complaint or recordable conduct matter that relates to the conduct of the Chief Constable. In dealing with complaints about the Chief Constable, the PCC follows the statutory guidance issued by the IOPC and in line with the Police (Complaints and Conduct) Regulations 2020 and other relevant legislation.

Complaints against Police Officers and Police Staff

If anyone wishes to make a complaint against a police officer or a member of police staff that works for the Suffolk Constabulary, the PCC's website directs them to the dedicated section of the Constabulary's website or alternatively to the IOPC website.

The PCC does not, except as set out below, deal with complaints about police officers (apart from the Chief Constable) and staff who work for the Constabulary. However, the PCC does have a responsibility to monitor and keep himself informed of complaints and misconduct issues relating to police officers and police staff. Where permissible and necessary, the PCC also has the power to direct the Chief Constable to take action in relation to complaints matters. The PCC regularly monitors information about complaints received by Suffolk Constabulary and the lessons learnt by the force.

Review of Complaints

The Policing and Crime Act 2017 gives PCCs the responsibility for reviews in respect of complaints considered by the Chief Constable with effect from 1 February 2020. The Statement of Policy and Procedure referred to above sets out how the PCC will operate the discharge of the statutory review function.

Complaints against OPCC Support Staff

Complaints against staff employed by the OPCC are considered in the first instance by the Chief Executive of the OPCC. Similar complaints against the Chief Executive are considered by the PCC. Where necessary complaints against staff are progressed in accordance with their contractual terms and conditions. The PCC website explains the action to be taken should any person wish to complain against a member of the OPCC staff.

Other Complaints

If anyone wishes to make complaint about the conduct of an Independent Custody Visitor or an Audit Committee Member the PCC's website explains the action to be taken.

j Conditions of Employment and Development of Officers in relation to their Roles and Training

Terms and Conditions

The staff of the Office of the Police and Crime Commissioner are employed on the standard terms and conditions of the Suffolk Constabulary subject to local variation appropriate to their circumstances. The policies of the Suffolk Constabulary similarly are generally applicable to them subject to variation as necessary within the employment grouping.

Development

The PCC's Chief Finance Officer is required to maintain levels of competencies to sustain professional qualifications.

Staff meetings are held as required and which provide an opportunity for staff to update and enhance their knowledge of key developments on an ongoing basis.

Members of staff also regularly attend appropriate training sessions and conferences provided professional networks describe above, such as the APPC; APACE and PACCTs.

All new staff are inducted into the work of the PCC and receive guidance appropriate to the roles to be performed.

k Engagement with Communities and Other Stakeholders

This section describes how the PCC establishes clear channels of communication with all Suffolk communities and stakeholders, recognising that different sections of the Suffolk community have different priorities and how it ensures accountability and encourages open consultation.

<u>Communication</u>

The PCC's website, which is regularly updated, is one of the primary sources by which the PCC publicises his activity. It includes material upon the PCC's day-to-day activity, news stories, forthcoming meetings, meeting agendas and associated papers, key governance documentation, advice on how to make a complaint, and decisions as well as information that the PCC is statutorily required to publish. In this latter regard information regarding the expenditure and the running expenses of the Office of the PCC can be found. Responses to all Freedom of Information requests are also published.

<u>Consultation</u>

One of the PCC's key functions is to make arrangements for obtaining the views of the community upon policing. This includes obtaining the views of the people in Suffolk and victims of crime about the policing of Suffolk. Further, the views of people in Suffolk and victims of crime in Suffolk must be obtained upon the draft Police and Crime Plan before it is issued. In addition, the views of the people and ratepayers representatives must be obtained on proposals for expenditure. This means that decisions of the PCC about police and crime objectives, contained within the Police and Crime Plan, and decisions about expenditure must be informed by the views gained in pursuit of the above obligations upon the PCC. In addition, the PCC must exercise their functions having regard to the relevant priorities of each responsible authority.

<u>Engagement</u>

The PCC holds meetings to engage directly with the public. Public engagement opportunities are sought across the county. They range from meetings to which the public are invited (both in person and online), to informal 'StreetMeet' events. The meeting arrangements vary from time to time. All public meetings are publicised in advance via the PCC's website.

Business

The PCC engages with the business community on a frequent basis, having regular updates with the Chamber of Commerce Chief Executive and continued engagement with the three larger Business Improvement Districts in Ipswich, Lowestoft and Bury St Edmunds.

The PCC gave the welcoming address at the Constabulary's Retail Crime Conference in October 2024 which was attended by various local businesses and national chains and supported by Shopsafe.

The PCC meets regularly with the National Farmers Union (NFU) and the Country Land and Business Association (CLA) at both local and county-wide level to discuss policing issues affecting the rural economy.

The PCC also offers opportunity to business representatives to meet with him to discuss local issues as required.

I Partnerships

The PCC has a number of collaborative/partnership arrangements with members of the wider policing/local government family. Engagement with partners consists of a mixture of physical and virtual meetings to maintain the flow of business and maximise efficiencies.

Collaboration with Norfolk

Both Norfolk and Suffolk Constabularies are collaborating extensively across a range of service areas. At the point where collaborative opportunities are identified as able to deliver efficiencies, savings or improved service then the PCC is required to give their approval to collaborate. This is recognised by Norfolk and Suffolk alike.

The most longstanding collaborative project is the Police Investigation Centres Project which provides custody facilities across Norfolk and Suffolk under a private finance initiative (PFI). All of the custody facilities were formally commissioned during 2011. A legally binding Second Joint Working Agreement, which in general terms describes the management and governance arrangements between the two PCCs, and which runs for the 30-year life of the service, is in existence. The PCC currently maintains oversight of the project through membership of a joint PFI Board by the Chief Executive of the OPCC and the PCC's Chief Finance Officer. Decision-making relating to specifically identified decisions requires PCC approval.

The Collaboration Panel for Norfolk and Suffolk, as described in the Scheme of Governance and Consent provides an opportunity for the counties' respective PCCs to consider issues of mutual interest and discharge the governance responsibilities of the PCCs as and when required.

Regional Collaboration

Collaboration within the Region has been pursued for a number of years. Since the introduction of PCCs, the six PCCs from the region have met regularly as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specify the formalities of the collaboration arrangements in relation to specific collaborations. Since October 2015 the six police areas in the Region have been joined by Kent in the 7Force Strategic Collaboration Programme. This has been formalised in a series of collaboration agreements entered into between the PCCs and Chief Constables of the seven police areas.

Wider Public Sector

The PCC is also involved in partnerships outside of the police family and in this regard has continued the work overseen by the predecessor authority. The police service in Suffolk currently shares use of a number of buildings with Suffolk County Council ranging from Landmark House in Ipswich (which involved the joint purchase and commissioning of this capital asset) to the shared use with the fire service of buildings throughout the county for local policing teams.

The PCC also attends or is represented on a number of other countywide strategic boards which comprise Suffolk Public Sector Leaders, the Norfolk and Suffolk Local Criminal Justice Board, the Suffolk Health and Wellbeing Board, and the Safer Stronger Communities Board. Whilst not a responsible authority for the purposes of the Community Safety Partnerships within the county, the PCC engages with the partnerships in the course of discharging his role.

Commissioning

Section 143 of the Anti-Social Behaviour Crime and Policing Act 2014 provides that the PCC may provide or arrange for the provision of services that will secure or contribute to securing crime and disorder reduction in the area and services which are intended to help victims, or witnesses of, or persons affected by offences and anti-social behaviour. The Office of the Police and Crime Commissioner ensures that the services commissioned are consistent with the PCC's objectives as set out in the Police and Crime Plan.

For the financial year 2024/25, the PCC's Commissioning budget was £3.6m. A significant proportion of funding was committed to Leeway Domestic Violence and Abuse Service to deliver the Suffolk Independent Domestic Violence Advisory Service, and to Victim Support to deliver the multi-crime victim assessment and referral service Norfolk and Suffolk Victim Care together with Norfolk OPCC.

All grants awarded are subject to conditions and monitoring requirements. Business cases must set clear success criteria and the outcomes to be achieved must be demonstrated. Details relating to grants made are published on the PCC website.

5 REVIEW OF EFFECTIVENESS

The PCC has the responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. Review of these systems has been informed by the work of officers of the PCC who have responsibility for the development and maintenance of the governance environment and internal audit. Comments made by external auditors and other review agencies have also informed this review.

The Chief Executive of the OPCC and the PCC's Chief Finance Officer, with the responsibility for drafting this Annual Governance Statement have considered the governance framework and the system of internal controls as necessary and vital concomitants to producing such a statement. These officers have involvement in the oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. This has included assessing effectiveness against the principles of good governance as well as evaluation of compliance with the Financial Management Code. In producing this statement full regard has been taken of the PCC's Risk Register. The maintenance and review of the effectiveness of the governance framework also extends to others within the Office of the PCC. The PCC himself maintains overall control of the governance framework and has been involved, for example, in considering and approving the Scheme of Governance and Consent, the Risk Management Strategy, as well as challenging Constabulary performance.

The Audit Committee has carried out work against its terms of reference which has included the consideration of the risk management arrangements, external auditor reports, including its value for money reporting, the internal audit plan and the internal audit annual report.

Internal audit has carried out a programme of work at a level commensurate with the legal and professional obligations of the PCC and the Internal Audit Annual Report for 2024/25 notes that the internal auditor is compliant with the requisite regulations and standards. Internal audit has provided an opinion on the adequacy and effectiveness of the system of financial control including the key controls operating within and around the core financial systems. Weaknesses in internal controls are reported by internal audit to management whose responsibility it is to consider them and act appropriately. Based on the findings of the internal audit work carried out to in 2024/25, the Head of Internal Audit has provided the following opinion:

> *"TIAA is satisfied that, for the areas reviewed during the year, the Office of the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary has reasonable and effective risk management, control and governance processes in place.*
>
> *This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Office of the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary from its various sources of assurance."*

In their Annual Report 2024/25, the internal auditors advised that they had carried out 16 assurance reviews. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Of the assessments completed, 4 were graded as "substantial", 9 were graded as "reasonable", and 3 were graded as "limited". Where recommendations have been made these have been followed up by management and monitored at audit committee meetings. The three audits which had received limited assurances were Retention of Staff, Workforce Planning and Limited Duties. At the last meeting of the Audit Committee in October 2025 all but two of recommendations in raised in the "limited" assurance audits had been implemented and the two outstanding actions were awaiting formal sign off.

HMICFRS – Effectiveness

In the period covered by this Annual Governance Statement the HMICFRS reported on a number of inspections which covered Suffolk and other forces nationally. The inspection reports can all be viewed on the PCC's website as well as the PCC's response to each of the reports.

An HMIFRS PEEL (Police Effectiveness, efficiency and legitimacy) inspection was conducted in May 2023 on Suffolk Constabulary and the final report published in October 2023. No HMICFRS PEEL inspection was performed on Suffolk Constabulary in 2024/25.

The PCC monitors the progress against those areas identified nationally and locally for improvement at both public accountability meetings and through regular meeting with the Chief Constable.

Data Security

During the financial year 2024/25 covered by this Annual Governance Statement there have been two referrals to the Information Commissioners Office (ICO) by the Constabulary (2023/24: five).

Neither of the referrals made this year have resulted in formal action from the ICO. All recommendations from the ICO have been actioned, as necessary.

Two referrals remain ongoing from 2022/23. These relate to two separate data breaches following the dissemination of Freedom of Information responses.

Financial Planning

The PCC's Medium-Term Financial Plan (MTFP) 2025/26 to 2028/29 was developed following the announcement of the provisional central government grant on 17 December 2024.

The proposals in the MTFP were based on the provisional settlement for the police main grant and legacy council tax grants announced by the Home Office, provisional local tax base figures, planning assumptions regarding future funding levels and on-going commitments and capital expenditure plans.

The PCC's MTFP 2025/26 to 2028/29 was finalised and considered by the Police and Crime Panel at its meeting on 31 January 2025, and the PCC's proposed increase in council tax by £13.95 per annum for a Band D property in 2025/26 was supported.

Based on the financial planning assumptions, financial balance will be achieved through the delivery of planned savings of £3.6m in 2025/26, together with further savings to be identified of £4.6m over the course of the 2025/26 – 2028/29 MTFP period.

Robust governance arrangements are in place across Suffolk and Norfolk Constabularies, which provide both the framework within which to monitor delivery of the approved planned savings, and to consider joint opportunities to progress the savings requirements in 2025/26 to 2027/28.

Through the Accountability and Performance Panel meetings and monthly updates from the Constabulary, the PCC will hold the Chief Constable to account to ensure that the overall savings plans are delivered on time and within budget.

Officers remain vigilant about the need to continue to apply effective controls and Audit Committee Members will continue to monitor performance relating to this.

In considering this Annual Governance Statement the Audit Committee has reviewed the effectiveness of the governance framework including the system of internal control. In undertaking the review, the Committee has been advised by the Chief Executive of the Office of the PCC and the PCC's Chief Finance Officer.

6 SIGNIFICANT GOVERNANCE ISSUES

There are no significant governance issues that have been identified for the purposes of this Annual Governance Statement.

7 CONCLUSION

This statement gives an accurate summary of the governance arrangements in place and of their effectiveness. Further it is concluded from the above that proper arrangements for governance of the PCC's affairs are in place and that their operation through the governance framework is fit for purpose.

Signed:

Tim Passmore

Police and Crime Commissioner for Suffolk
02 February 2026

Darren Horsman
Chief Executive (and Monitoring Officer)
Office of the Police and Crime Commissioner for Suffolk
02 February 2026

Colette Batson
Chief Finance Officer
Office of the Police and Crime Commissioner for Suffolk
02 February 2026

SUFFOLK
CONSTABULARY

ANNUAL GOVERNANCE STATEMENT 2024/25

FOR THE CHIEF CONSTABLE OF SUFFOLK CONSTABULARY

1. INTRODUCTION

The Annual Governance Statement 2024/25 covers the financial year 2024/25 and plans for the financial year 2025/26 and reflects the position up to 2 February 2026.

2. SCOPE OF RESPONSIBILITIES

The Chief Constable is responsible for ensuring that the Constabulary's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively.

In discharging this overall responsibility, the Chief Constable is also responsible for putting in place proper arrangements for the governance of the Constabulary's affairs and facilitating the exercise of its functions, which includes ensuring there is a sound system of governance incorporating the system of internal control, which is maintained throughout the year and that arrangements are in place for the management of risk.

The Chief Constable's financial management arrangements conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) *Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable*.

The Police and Crime Commissioner (PCC) has approved and adopted a Code of Corporate Governance, which is consistent with CIPFA's *Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales*. A copy is available on the PCC's website www.suffolk-pcc.gov.uk or can be obtained from Suffolk Constabulary, Police Headquarters, Martlesham Heath, Ipswich, IP5 3QS.

This statement explains how the Chief Constable has complied with the Code of Corporate Governance and also meets the requirements set out in the *Accounts and Audit Regulations 2015 6(1)* to review the effectiveness of the system of internal controls and prepare an annual governance statement.

3. PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the Chief Constable directs and controls activities through which she accounts to and engages with the community. It enables her to monitor the achievement of the Constabulary's strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Chief Constable's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them effectively, efficiently, and economically.

The governance framework has been in place for the Chief Constable for the year ended 31 March 2025 and up to the date of approval of the statement of accounts.

4. THE GOVERNANCE FRAMEWORK

The Chief Constable is responsible for operational policing matters, having direction and control over the Constabulary's police officers and police staff, and is responsible for putting in place proper arrangements for the effective governance of the Constabulary and a sound system of internal controls that supports the achievement of the Constabulary's policies, aims and objectives. She has day-to-day responsibility for the Constabulary's financial management set within a framework of an agreed budget allocation and authorisation levels issued by the PCC and is held to account by the PCC.

The following section describes the governance arrangements and the supporting systems and processes in place for the Constabulary.

4.1 Governance Arrangements

Accountability and Performance Panel

- The PCC chairs the Accountability and Performance Panel. It is a public meeting, and its purpose is to hold the Chief Constable to account and to enable issues to be discussed and, where appropriate, make decisions. This includes holding the Chief Constable to account for the management of the funds provided to her for the purpose of policing and the delivery of the strategy and objectives set out in the police and crime plan.

Audit Committee

- The purpose of the Audit Committee is to provide independent advice and recommendations to the PCC and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place.

- The Audit Committee takes assurance from inspections conducted on the Office of the Police and Crime Commissioner and Constabulary from a number of sources that include internal audit, external audit and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). An annual report of the Committee's activities is available on the PCC's website.

Chief Officer Team

- The Chief Officer Team meets weekly at the Chief Officer Management Group to monitor, review, and give chief officer-level direction for key strategic issues and to enable coordination across the organisation for the delivery of key strategic and operational objectives.
- Chief Officer governance and management is undertaken through attendance at the Accountability and Performance Panel meetings and by chairing various internal meetings. These include the Joint Chief Officer Team meetings; the Joint Suffolk and Norfolk Organisation Board; the Strategic Planning and Monitoring Group; and the Performance Group.
- Suffolk and Norfolk Constabularies and Chief Officer Teams collaborate extensively. The Programme Management Office oversee all collaborative activities on a day-to-day basis, monitor progress against the agreed programme and report upwards into the Joint Norfolk and Suffolk Organisational Board and onwards to the Joint Chief Officer Team and the Suffolk and Norfolk PCCs.
- Senior operational and non-operational managers support the Chief Officer Team.

4.2 Planning

The Police and Crime Plan 2022/2025, which has applied from 1 April 2022, presents the PCC's police and crime objectives. These have been translated into an activity plan that drives day-to-day work with progress monitored under the PCC's performance management framework. A plan outlining specific actions, timescales and milestones has been produced that drives delivery by the Constabulary.

There are coordinated processes for strategic and financial planning. These consider policing priorities at local, regional, and national levels; risks; efficiency savings; value for money principles; and financial resilience criteria. The work involves consulting with officers and staff across the Constabulary and a process of scrutiny and challenge by Chief Officers to ensure that the plan reflects the strategic aims of the Chief Constable and the PCC. The Chief Constable's Delivery Plan 2023/28 was launched in May 2023 and sets out the Constabulary's vision, mission, values and priorities for 2023/24 to 2027/28. A copy of this plan is available on the Constabulary’s website. This is supported by the Medium-Term Financial Plan 2025/26 to 2028/29 and annual balanced budget for 2025/26 that was approved by the PCC on 17 January 2025.

4.3 Performance Management

There is a Constabulary performance management framework. Objectives and performance indicators are established and monitored both at a Constabulary and local policing-area level. Reports are provided regularly to senior managers, the Chief Officer Team and to the PCC on performance against objectives.

4.4 Public Confidence and Satisfaction

The Constabulary measures the satisfaction of service users through the use of victim surveys. Levels of victim satisfaction are monitored through the Constabulary’s regular performance meetings and a Public Confidence Board that meets bi-monthly to set the strategic direction and oversee the work focussed on increasing public confidence and satisfaction in policing services in Suffolk. The Constabulary reports regularly to the PCC on levels of satisfaction as one of his agreed police and crime plan’s objectives and reviews public confidence through the annual Crime Survey for England and Wales published by the Office of National Statistics.

4.5 Internal Control and Compliance

The roles and responsibilities of senior officers within the Constabulary are established by a scheme of governance and consent, financial regulations, common law, legislative requirements, and police officer and police staff role profiles.

Scheme of Governance and Consent

- The PCC has adopted a scheme of governance and consent, including financial regulations, contract standing orders, and various codes of practice as part of his governance arrangements. They are reviewed periodically in accordance with requirements and copies are available on the PCC’s website. The Constabulary has to adhere to requirements contained in these documents and that form a core part of the governance framework.

Risk Management

- Both the PCC and the Chief Constable maintain strategic risk registers that are regularly reviewed. Risk management policies and procedures are in place to ensure that the risks facing the PCC and Chief Constable in achieving objectives are identified, evaluated, and reported.

- A Joint Suffolk and Norfolk Constabularies' risk management policy includes details of the risk management framework for Suffolk Constabulary. The policy supports a risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with by mitigation and/ or escalation to the appropriate level within the Constabulary.
- All legal requirements for insurance were met, and insurance policies were reviewed as necessary as part of agreed regional consortium arrangements.

Fraud

- The Anti-Fraud and Corruption Policy sets out the required standards of behaviour for police officers and police staff to follow. Fraud is deterred through the application of policies and procedures, through regular internal audits, vetting of police officers and police staff and a whistleblowing policy. The policy includes processes for identifying and responding to fraud. The Constabulary's internal auditor or its Anti-Corruption Unit may investigate allegations of fraud.
- Financial Regulations set out the requirement for internal financial controls, including the approach to preventing fraud and non-compliance, together with the arrangements for dealing with suspected fraud, theft, irregularity and improper use or misappropriation of property or resources.
- The Constabulary's intranet is used to inform police officers and police staff of their responsibilities relating to fraud, ethical behaviour, and other related matters and of the training that is available to them.

Code of Ethics

- The Code of Ethics, published by the College of Policing, describes the principles that every member of the policing service in England and Wales is expected to uphold and the standards of behaviour they are expected to meet. This Code applies to all those who work for the Constabulary, be they police officers, staff, contractors, or volunteers and is embedded throughout the organisation.
- An ethics committee allows police officers and police staff to raise ethical issues affecting the Constabulary and an integrity board ensures the fair application of policy and process. Breaches of the Code of Ethics or standards of professional behaviour are investigated by the Joint Professional Standards Department in accordance with Police Regulations.

4.6 Audit Committee Reports

The Audit Committee considered the findings contained in reports prepared by the PCC's and Constabulary's internal auditor, TIAA. TIAA completed 16 reviews to support the

2024/25 head of internal audit opinion. Audits were designed to assess the extent to which the internal controls were adequate to ensure that activities and procedures were operating to achieve the PCC's and Chief Constable's objectives.

The Audit Committee can take reasonable assurance that the internal controls tested were suitably designed, consistently applied and effective for nine out of fourteen reviews. It can take substantial assurance for four of the internal audits.

Three reviews were assessed as limited assurance. These were:

- Retention of staff.
- Workforce planning.
- Limited duties.

Details of control weaknesses are published in internal audit reports that are either available on the PCC's website or from the OPCC.

The Constabulary has accepted the recommendations made to further strengthen its control environment. The internal auditors will report progress to the Audit Committee on the implementation of the recommendations and their compliance.

4.7 Economic Outlook

Whilst inflation is falling, its impact has been felt in 2024/25 through increased prices and higher than budgeted pay awards. Estimates for non-pay inflation for 2025/26 are higher than the Constabulary's forecast in the 2024/25 medium term financial plan and the associated cost increase is unfunded by government.

There is continued pressure for higher pay settlements in 2025/26. The pay award was increased from 2% to 3.5% for 2025/26 given the 4.75% increase for officers and staff in 2024/25 and continued cost of living increases.

Full-year expenditure forecasts are prepared monthly and will monitor the impact of inflation during the financial year. The impact of inflation will be mitigated through a combination of measures. These include the reallocation of underspends during the financial year, reprioritisation of planned activities during 2025/26 and the reallocation of budgets where appropriate or the use of reserves. Inflation assumptions will be reconsidered when setting the budget for 2026/27. Progress at mitigating the impact of inflation will be reported to the Accountability and Performance Panel.

5. REVIEW OF EFFECTIVENESS

The Chief Constable has responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control. This review has been informed by the work of the Constabulary, internal and external audit, and other review agencies and inspectorates.

5.1 Corporate Governance Assurance Group

The Corporate Governance Assurance Group (CGAG) was established to review the corporate governance framework and systems of internal control and to prepare the Annual Governance Statement. The group comprises the Chief Constable’s Chief Finance Officer, the PCC’s Chief Finance Officer and the Head of Finance.

5.2 Compliance with CIPFA Financial Management Code

The CGAG performed its annual assessment of the Constabulary’s compliance against the CIPFA Financial Management Code (FM Code). The FM Code provides guidance for good and sustainable financial management. Compliance with the FM Code provides assurance that the Constabulary is managing its resources effectively. Performance was assessed against the following seven areas:

1. The responsibilities of the Chief Finance Officer and leadership team.
2. Governance and financial management style.
3. Medium to long-term financial management style.
4. The annual budget.
5. Stakeholder engagement and business cases.
6. Performance monitoring.
7. External financial reporting.

Results of this year’s self-assessment showed that the Constabulary was materially compliant with the FM Code across all of the above areas.

5.3 Internal Audit

The Head of Internal Audit’s opinion covering 2024/25 is as follows:

> TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary have reasonable and effective risk management, control and governance processes in place.

The Head of Internal Audit has arrived at this opinion through:

- Risk-based audit needs analysis from which activity has been prioritised over a three-year planning horizon to design an internal audit strategy.
- Designing and applying a risk-based methodology that is consistent with the requirements of the Public Sector Internal Audit Standards.
- Delivery of individual assurance reports during the year and agreeing action plans with business owners to secure improvements.

- Monitoring the implementation of previous recommendations throughout the year and assessing progress as reasonable.

There were no further issues identified by the internal auditor that require reporting in the Annual Governance Statement as significant control weaknesses.

5.4 His Majesty's Inspectorate of Constabulary and Fire & Rescue Services

PEEL Inspection

An HMICFRS inspection was performed in May 2023, and the final report was published in October 2023. No HMICFRS inspection was performed in 2024/25.

HMICFRS Reports

All reports published by HMICFRS containing recommendations or actions for improvement for the police, whether they are specific to Suffolk or applicable at a national level, require comment from the Chief Constable on how the Constabulary intends to progress them.

All recommendations arising from HMICFRS reports, both Suffolk-specific and national, are recorded centrally and allocated to strategic leads. There is also an online tracker where all forces can access updates on progress nationally.

The Deputy Chief Constable chairs an internal monthly meeting to monitor progress of these recommendations and to ensure that progress matches the required timescale. Progress is also monitored through the Accountability and Performance Panel. Inspection reports are available from the HMICFRS and PCC websites.

5.5 Data Security

Suffolk Constabulary made two referrals to the Information Commissioners Office (ICO) in 2024/25 (2023/24: five). None of these have resulted in formal action from the ICO. All recommendations from the ICO have been actioned, as necessary. Two referrals remain ongoing from 2022/23. These relate to two separate data breaches following the dissemination of Freedom of Information responses.

6. SIGNIFICANT GOVERNANCE WEAKNESSES

There were no significant weaknesses in the Constabulary's system of internal controls in 2024/25 that affected the achievement of the Chief Constables' key policies, aims and objectives.

Rachel Kearton
Chief Constable

2 February 2026

Kenneth Kilpatrick
Chief Finance Officer

2 February 2026

THE POLICE AND CRIME COMMISSIONER FOR SUFFOLK

GROUP AND PCC
STATEMENT OF ACCOUNTS

for the year ended
31 March 2025

Contents

INDEPENDENT AUDITOR’S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR SUFFOLK

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Statement of Responsibilities for the Statement of Accounts

The Police and Crime Commissioner for Suffolk (PCC for Suffolk) Responsibilities

The PCC for Suffolk must:

- Arrange for the proper administration of the PCC for Suffolk's financial affairs and ensure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer (CFO PCC).
- Manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.
- Ensure that there is an adequate Annual Governance Statement.

Approval of Statement of Accounts

I approve the following Statement of Accounts

Tim Passmore

Police and Crime Commissioner for Suffolk

The Chief Finance Officer of the PCC for Suffolk Responsibilities

The CFO PCC is responsible for preparing the Statement of Accounts for the PCC for Suffolk in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards ("the Code").

In preparing this statement of accounts, the CFO PCC has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code and its application to local authority accounting.

The CFO PCC has also:

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

Certified by Chief Finance Officer of the PCC for Suffolk

I certify that this statement of accounts has been prepared in accordance with proper accounting practice and presents a true and fair view of the financial position of the PCC at 31 March 2025, and its income and expenditure for the year to that date.

Colette Batson

Chief Finance Officer

NARRATIVE REPORT

This narrative report provides the following information about the Office of the Police and Crime Commissioner for Suffolk (OPCC) and the Suffolk PCC Group.

1. Policing Context

The Office of the Police and Crime Commissioner for Suffolk

Under the *Police Reform and Social Responsibility Act 2011* (the Act) the Police and Crime Commissioner for Suffolk (PCC) and the Chief Constable of Suffolk Constabulary were established as separate legal entities. Corporate governance arrangements for the PCC and the Chief Constable have been reviewed and a commentary on their effectiveness is provided in their Annual Governance Statements which are published alongside these Statements of Accounts.

The responsibilities of the PCC, determined by the Act, include:

- **Publishing** a Police and Crime Plan;
- **Holding** the Chief Constable to account for the running of the Constabulary;
- **Agreeing** the Constabulary budget for the year and the level of the precept;
- **Working** with partner organisations and building on collaboration arrangements with other organisations; and
- **Publishing** an annual report setting out progress against the strategic priorities published in the Police and Crime Plan.

For accounting purposes, the PCC for Suffolk is the parent entity of the Chief Constable of Suffolk (the Constabulary) and together they form the Suffolk PCC Group (the Group).

Tim Passmore was initially elected as the first PCC for Suffolk in 2012 and was re-elected at subsequent elections in May 2016; May 2021; and May 2024. The current four-year term is due to end in 2028.

The PCC is supported and challenged by the Police and Crime Panel, which scrutinises the actions and decisions of the PCC. Formal public meetings between the PCC and the Chief Constable are held every two months. An independent Audit Committee has also been established in accordance with recommendations from the Home Office and the Chartered Institute of Public Finance and Accountancy (CIPFA).

The County of Suffolk

Suffolk is a rural county in eastern England with a land area of 1,466 square miles. Located 60 miles north east of London, it is bordered by Norfolk to the north, Cambridgeshire to the west and Essex to the south. With 50 miles of coastline the North Sea marks the eastern border of the county (see **Figure 1**).

Figure 1 – Map of the County of Suffolk

Note: Principal police stations are marked in blue

Ipswich is the largest town and is the major economic, social, and cultural hub of the county. Lowestoft, Bury St Edmunds, Newmarket, and Felixstowe also present specific policing needs related to the nature of their industries; such as tourism in Lowestoft, horse racing in Newmarket and Britain's biggest and busiest seaport in Felixstowe.

Per the 2021 census, Suffolk's estimated population was 760,668 residents and it is forecast to grow to over 790,000 by 2028, with an increasing ageing population. In 2023 persons aged 65 years and older were estimated to account for 24.8% of the population, compared to a projection of 31% for 2043. The proportion of minority ethnic communities in Suffolk has also risen, from 3% in 2001 to nearly 7% in 2021, with the greatest proportion in Ipswich (sources: Office for National Statistics and Suffolk Observatory population estimates). The Constabulary continues to respond to the changing nature of Suffolk's population by ensuring policies take account of equality and diversity.

Suffolk contains several sites of policing significance including: the Port of Felixstowe, British Telecom Research and Development facility, two US Air Force Bases and Sizewell B nuclear power station. Construction of a new nuclear power station at Sizewell C will bring additional policing demands, for which plans have been developed. In 2021 Freeport East was approved which is generating future business opportunities for the county.

Tourism plays a key role in Suffolk's economy and is estimated to be worth over £2 billion and provides over 40,000 jobs.

Collaboration and partnership working

The *Police Reform and Social Responsibility Act 2011* places duties on chief officers and policing bodies to keep collaboration activities under review and to collaborate where it is in the interests of the efficiency and effectiveness of their own and other police force areas.

Suffolk Constabulary's primary partner for collaboration is Norfolk Constabulary. A joint strategy exists which outlines the collaborative vision for Suffolk and Norfolk and provides a strategic framework within which collaborative opportunities are progressed.

The two police forces have an extensive collaboration, with the programme of collaborative work delivering a number of joint units and departments in areas such as major investigation, protective services, custody, and back - office support functions.

Areas of collaboration outside of Suffolk/Norfolk include the Eastern Region Special Operations Unit (ERSOU), a specialist unit with a remit for tackling serious and organised crime in the Eastern Region. ERSOU comprises resources from Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk, and Suffolk forces.

The same seven forces and their Police and Crime Commissioner's Offices (OPCCs) form the Eastern Region Innovation Network (ERIN), which shares and replicates best practice and innovation across the eastern region.

Suffolk is also part of a seven-force commercial services function established in January 2020 and a ten-force consortium for insurance known as the South East and Eastern Regional Police Insurance Consortium (SEERPIC).

Partnerships

The PCC and Constabulary engage in many partnership arrangements at a number of levels from strategic boards, such as the Health and Wellbeing Board, to operational working groups. These are aimed at ensuring the PCC and Constabulary fulfil their statutory responsibilities for partnership working, as well as ensuring they continue to be effective and efficient by working together with partners and key stakeholders in providing continued high-quality service delivery.

Commissioning

The PCC can commission services that:

- Secure, or contribute to securing, crime and disorder reduction in Suffolk;
- Help victims, witnesses or other persons affected by offences and anti-social behaviour.

This is in accordance with the provisions in the Anti-Social Behaviour, Crime and Policing Act 2014. The PCC ensures that the services commissioned are also consistent with the Police and Crime Plan 2022-2025.

Two primary grant funding streams have been utilised in Suffolk. The first is in relation to local commissioning of victims' support services awarded by the Ministry of Justice. A core grant of £878k per annum has been agreed for three years, commencing in 2022/23, and is used for commissioning victims' services. A separate grant agreement is held with the Ministry of Justice which is used to commission victims' support services in relation to domestic abuse and sexual violence. This grant agreement is also for three years and was £710k for 2024/25. An offer of additional funding in relation to the provision of Independent Domestic Violence Advisors (IDVAs) and Independent Sexual Violence Advisors (ISVAs) was made and accepted in 2023 which confirmed a further £40,850 of funding towards this grant. In addition, a grant addendum was confirmed in 2024/25 which awarded a second £40,850 of additional funding for IDVAs and ISVAs. As at the end of March 2025 there was a small underspend of £4k which will be returned to the Ministry of Justice.

The second key grant funding stream, the Crime and Disorder Reduction Grant Fund, was established by the PCC in 2013 for the purpose of commissioning services in accordance with the statutory power outlined above. The PCC allocates part of this fund to the 'PCC Fund' administered by the Suffolk Community Foundation.

The Home Office has been a further source of funding in 2024/25. In 2023, the PCC successfully secured a two-year grant totalling £652k for continuing the delivery of Domestic Abuse (DA) perpetrator programmes until 31 March 2025. Year two of this grant funding has been disbursed in line with the grant agreement. Out of a possible £332k for 2024/25, a total of £281k was claimed for delivery within the year. The reasons for the underspend were predominantly due to delays in recruitment for new positions.

The PCC was awarded a grant from the Home Office of £355k in 2024/25 for delivery of three projects under the Safer Streets Round 5 funding. The grant had a small underspend of £417 which will not be claimed from the Home Office.

The Home Office have also provided funding for specified authorities for delivery of the Serious Violence Duty. The PCC is responsible for allocating this grant funding, following agreement by the Serious Violence Duty Partnership, and £397k was eligible to claim in 2024/25.

All grants awarded include success criteria, for example intended outcomes and milestones, together with risks. The delivery of clear and measurable outcomes against Police and Crime Plan objectives is described for all initiatives where funding is sought. Grant decisions are published on the PCC website. All grant recipients report on the outcomes and progress of projects. Conditions of award specify that recipients may also be required to report to public accountability meetings, for example the bi-monthly Accountability and Performance Panel.

The performance of service providers has been regularly reviewed and monitored against proposed outputs and outcomes. Where appropriate, services are assessed using the perceptions of victims of crime in terms of their satisfaction with the services and the extent to which they have been supported to cope and build resilience. Value for money and efficiency also features in the commissioning and evaluation of services.

2. Governance

The International Accounting Standards Board Framework states that assets, liabilities and reserves should be recognised when it is probable that any future economic benefits associated with the item will flow to or from the entity. When the OPCC was established, the PCC took responsibility for the finances of the Group and controls the assets, liabilities and reserves that were transferred from the former Police Authority. With the exception of the liabilities for employment and post-employment benefits, this position has not changed and these balances are shown on the PCC's balance sheet.

The Scheme of Governance and Consent sets out the roles and responsibilities of the PCC and Chief Constable and includes the Financial Regulations and Contract Standing Orders. All contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets, and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the PCC accounts and consolidated in the Group financial statements.

The PCC receives all income and makes all payments from the Police Fund for the Group and has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's police officers and police staff operate. The PCC does not permit the carry forward of balances or for the Chief Constable to hold cash-backed reserves.

The Chief Constable has a statutory responsibility for delivering an efficient and effective police force within an annual budget, which is determined by the PCC. The Chief Constable has a statutory responsibility for maintaining the King's peace and to do this has direction and control over the Constabulary's police officers, police community support officers and police staff. In exercising day-to-day direction and control the Chief Constable will undertake activities, incur expenditure, and generate income to allow the

Constabulary to operate effectively. A distinction is made between the financial impact of this day-to-day direction and control of the Constabulary and the overarching strategic control exercised by the PCC.

The expenditure and income associated with day-to-day direction and control and the PCC's funding to support the Chief Constable is shown in the Chief Constable's accounts, with the main sources of funding from central government grants and the council tax and the majority of balances being shown in the PCC's accounts.

The Chief Constable's Comprehensive Income and Expenditure Statement recognises transactions in respect of police officer and police staff costs and associated operational incomes. The Chief Constable's balance sheet shows employment and post-employment benefits in accordance with International Accounting Standard (IAS) 19 *Employee Benefits*.

3. Risks

The PCC and the Chief Constable maintain strategic risk registers which are regularly reviewed. Risk management policies and procedures are in place to ensure that the risks facing the PCC and Chief Constable in achieving objectives are identified, evaluated, and reported.

A joint Suffolk and Norfolk Constabularies risk management policy includes details of the risk management framework for Suffolk Constabulary. The policy supports a risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with by mitigation and / or escalation to the appropriate level within the Constabulary.

All legal requirements for insurance were met and insurance policies were reviewed as necessary as part of the SEERPIC insurance consortium arrangements.

4. Non-Financial Performance 2024/25

The Constabulary prioritises services to vulnerable and at-risk victims, and perpetrators who cause the highest harm. It continues robust operational responses to the threat of 'county lines' organised crime groups, modern slavery, and sexual crimes against adults and children. Collaborations with Norfolk Constabulary, ERSOU, ERIN and other Suffolk agencies and voluntary organisations, and investments in modern technologies such as automated number plate recognition, mobile computing devices and body worn video cameras are critical parts of these responses.

The Constabulary continues to prioritise community issues through investment in its safer neighbourhood teams and Contact and Control Room change programme. The Futures Hub (formerly Suffolk 2025) project continues to develop evidence-based initiatives to reduce demand and improve efficiency, enabling officers to spend more time engaging with communities and responding to local needs.

The Police and Crime Plan 2022-2025 lists the following as priorities for tackling crime in Suffolk:

Objective 1	An efficient and effective police force for Suffolk.
Objective 2	Provide services which support victims of crime and invest in initiatives which reduce crime and disorder.
Objective 3	Engage with communities to understand their views about policing and crime and keep them updated about the work of the PCC and the Constabulary
Objective 4	Work in partnership to improve criminal justice outcomes and enhance community safety.

In the 12 months to the end of March 2025 there were 44,431 recorded crimes, 10% lower than the long-term average of 49,540. **Table 1** shows the year-end position for selected Police and Crime Plan indicators and compares them with previous years' performance.

Table 1: Performance against Police and Crime Plan indicators

Area	Indicator	2021/22	2022/23	2023/24	2024/25
Domestic Abuse	Number of crimes	9,325	9,156	7,591	7,461
	Solved rate	12%	12%	13%	12%
Serious Sexual Offences	Number of crimes	2,262	2,285	1,995	1,939
	Solved rate	5%	6%	5%	8%
Child Sexual Abuse	Number of crimes	1,296	1,308	939	813
	Solved rate	9%	11%	11%	15%
Business Crime	Number of crimes	5,399	6,274	6,447	5,707
	Solved rate	22%	24%	25%	26%
Hate Crime	Number of crimes	1,092	995	846	819
	Solved rate	13%	14%	19%	18%
Online Crime	Number of crimes	2,152	2,444	1,911	1,604
	Solved rate	11%	10%	12%	12%
Neighbourhood Crime	Number of crimes	8,194	8,137	7,488	7,290
	Solved rate	10%	10%	9%	10%
Violence with Injury	Number of crimes	5,763	6,431	6,175	5,882
	Solved rate	14%	15%	16%	16%
Call Handling	999 calls answered in 10 seconds	85%	77%	85%	91%
Emergency Response	Emergencies responded to in target time	88%	88%	87%	87%
Road Safety	Number killed or seriously injured	273	254	267	310

Table 1 shows that there were decreasing volumes of crime in 2024/25 for all key crime categories.

Performance regarding call handling has improved during 2024/25. The increase in 999 call volumes is being seen nationally and is being addressed locally in Suffolk through targeted multi-year precept investment that has seen growth in the switchboard function and continued growth in the number of call handlers being recruited. Investment has also been made in digital desk capabilities, to ensure service standards are maintained however the public contact the Constabulary.

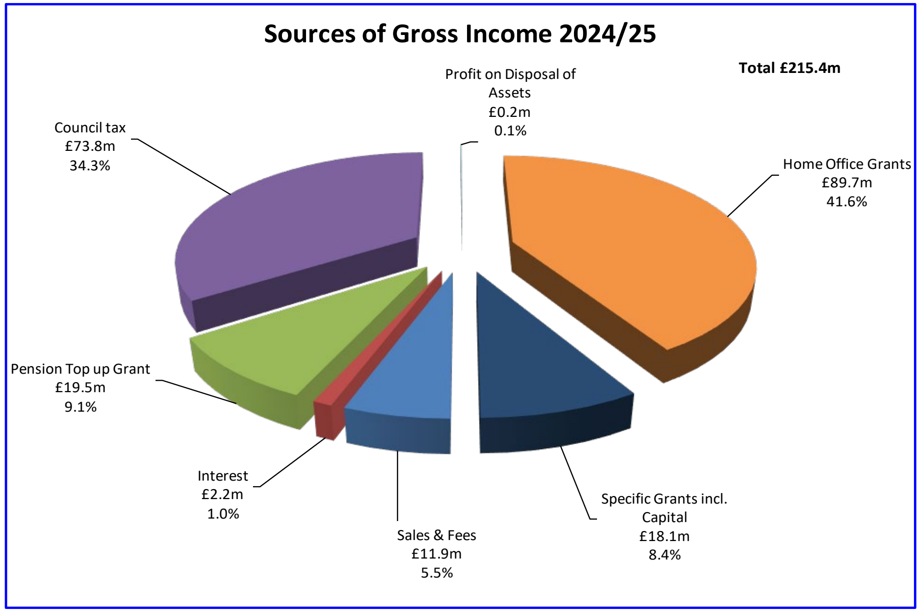
The Constabulary continues to robustly enforce against road users that speed, fail to wear seatbelts, use mobile phones whilst driving, and drive under the influence of drink and drugs. Often referred to as the 'fatal four', these offences impact upon the number of people killed and seriously injured in road traffic collisions.

5. Financial Performance 2024/25

Sources of Funding

The majority of police funding comes from the government in the form of general and specific grants. The remainder comes from council tax and fees and charges. **Chart 1** shows the sources of revenue funding in 2024/25.

Chart 1: Sources of gross income 2024/25



Revenue Budget 2024/25

In January 2024, the PCC approved a net revenue budget for 2024/25 of £162.985m and took the decision to increase the policing element of Council Tax by 4.9%. The council tax for a Band D property for 2024/25 was increased by £12.96 to £275.58 following this decision.

Outturn Revenue Expenditure Compared to Budget

For budgeting purposes, the revenue budget is compiled and controlled as set out in the following table:

	Budget £000	Outturn £000	Final Variance £000
Constabulary (net after transfer to reserves)	173,869	170,389	3,480
Office of the PCC	1,033	869	164
PCC commissioning	860	844	16
OPCC - Grants	(13,062)	(13,062)	-
Net total contributions to/(from) earmarked reserves	-	3,660	(3,660)
Total Net Expenditure	162,700	162,700	-
Grants income	89,234	89,234	-
Precept income (before collection fund balance adjustment)	73,751	73,751	-
Transfer from/(to) General reserves	**(285)**	**(285)**	**-**

Explanations for significant variances are provided below:

- **Chief Constable operational budget:** this is due to underspends in pay and surplus in income, allowing the transfer to reserves in order to mitigate future funding risks.

Savings targets of £1.331m were identified for 2024/25 and these savings were achieved.

Capital Budget 2024/25

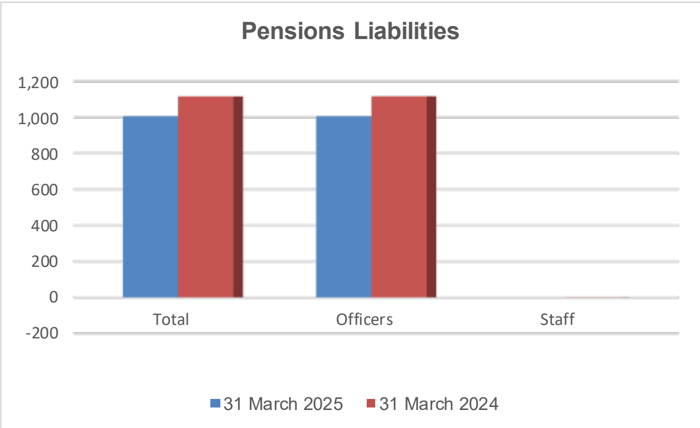
The Capital programme for 2024/25, including slippage from 2023/24 and in-year approvals, was £7.038m. Actual expenditure against this total was £5.094m. The under-spend of £1.944m is primarily due to the re-profiling of Estates schemes, ICT schemes, vehicle replacements and joint projects in the MTFP. Actual expenditure includes an amount of £0.202m relating to incidental and de-minimis expenditure, which is not capitalised in the financial statements but charged directly to the CIES. The capital programme was financed by government grants and contributions of £0.494m (of which, grant funding of £0.246m related to a previous years' capital expenditure), capital receipts of £0.829m and revenue contributions of £3.815m.

Long Term Liabilities

Pension Liabilities

The Suffolk PCC Group operates three separate pension schemes for police officers and one scheme for police staff. Although benefits from these schemes will not be payable until an officer or staff member retires, the PCC has a future commitment to make these payments and under financial reporting standards the PCC is required to account for this future commitment based on the full cost at the time of retirement. The PCC's future net pension liabilities, which have been calculated by an independent actuary, are set out in **chart 2**:

Chart 2: Suffolk PCC Group pension liabilities



These liabilities result in the balance sheet showing net overall liabilities of £931m at 31 March 2025. The financial position of the PCC remains sound as these liabilities are spread over many years.

Private Finance Initiative (PFI) Liabilities

At the year end the Suffolk PCC share of the PFI liability associated with police investigation centres amounted to £19.0m. The full cost of the annual unitary charge is included within the PCC's balanced budget. The Suffolk PCC share of an annual grant received from the Home Office supporting the annual unitary charge amounts to £2.7m per annum.

Reserves

The PCC has usable reserves of £36.631m at 31 March 2025, which are available to support revenue and capital spending. These include a general fund balance made up of earmarked reserves of £28.605m, against which there are significant commitments, a general balance of £4.885m and unapplied capital grants and usable capital receipts of £3.142m These reserves are not fully supported by cash balances, primarily due to unfunded capital expenditure being financed from cash.

Treasury Management

The PCC has agreed a treasury management strategy which complies with CIPFA guidance. During 2024/25, the PCC continued to borrow or invest available cash balances in accordance with cash flow forecasts, ensuring that prescribed policies with regard to security and liquidity were observed. The average level of investments (including instant access balances) for 2024/25 was £44.255m and the interest received was £2.202m. The overall return of 4.98% was 0.08% higher than the sterling overnight index average (SONIA) of 4.90%.

Annual Governance Statement

The PCC is responsible for conducting a review of the effectiveness of the governance framework, including the system of internal control and management of risk.

This is presented in the Annual Governance Statement 2024/25 that accompanies the Group and PCC Statement of Accounts. A copy is available on the PCC's website at www.suffolk-pcc.gov.uk.

6. Outlook

Police and Crime Plan 2025/29

The PCC has published his fourth police and crime plan following public consultation. The Police and Crime Plan 2025/29 applies from 1 April 2025 and presents the PCC's three key themes and associated objectives all aimed at making Suffolk a safer place in which to live, work, travel and invest. They are as follows:

- **Theme 1 – An efficient and effective police force for Suffolk.**
  - **Objective 1** - Improving public confidence through an effective response to the public and proactive approach to crime prevention.
  - **Objective 2** - Effective crime investigation, effective support for victims and appropriate management of offenders.
  - **Objective 3** - Working in partnership.
  - **Objective 4** - Ensure the Constabulary's people are developed and supported, and its assets and resources are used to enable an effective and efficient police service.

- **Theme 2 – Commissioning services which support victims of crime and investing in initiatives which reduce crime, disorder, offending and prevent victimisation.**
  - **Objective 1 -** Commissioning services which support victims of crime.
  - **Objective 2** - Investing in initiatives which reduce crime, disorder, offending and prevent victimisation.

- **Theme 3 – Effective engagement with communities, and working with partner agencies, to enhance community safety and criminal justice.**
  - **Objective 1** - Engage with communities to understand their views about policing and crime.
  - **Objective 2** - Inform and update the public about the work of the PCC.
  - **Objective 3** - Work in partnership to support criminal justice and enhance community safety.

Progress against this plan is monitored under the PCC's performance management framework. The Police and Crime Plan 2025-2029 and accompanying performance framework are available on the PCC's website.

Chief Constable's Delivery Plan 2023/28

The Chief Constable's Delivery Plan 2023/28 was launched in May 2023 and sets out the Constabulary's vision, mission, values and priorities for 2023/24 to 2027/28 as follows:

Vision: making Suffolk a safe place to live, work, travel and invest

Mission: keeping Suffolk safe

Values: courageous, professional, community and compassionate

The Chief Constable's priorities are provided below.

People	• Attract and develop well
	• Healthy, fit and supported
	• Innovate and improve
Fairness	• Promote inclusion and diversity
	• Communicate and engage well
	• Build trust and confidence
Safety	• Keep people safe
	• Protect people from serious harm
	• Prevent crime in partnership
Justice	• Victims first
	• High quality investigations
	• Effective offender management

The plan is consistent with the PCC's Police and Crime Plan 2022/25 and the force management statement, which shows forecast changes in demand over the next four years and any gaps that exist regarding capacity or capability.

Medium Term Financial Plan 2025/26 to 2028/29

Revenue Funding

The PCC has published a medium term financial plan for 2025/26 to 2028/29. A copy is available from the PCC's website.

Funding for policing services has increased from £162.985 in 2024/25 to £172.395m in 2025/26

PCCs have been given the flexibility to increase the precept by £14 in 2025/26 without holding a referendum. The PCC has raised the precept by 5.06% (£13.95 for a Band D property) to deliver a balanced budget in 2025/26.

Monitoring delivery of improvements in performance from the additional policing resources provided through the increased budget will be through meetings of the Accountability and Performance Panel chaired by the PCC.

Capital Programme

The capital programme over the medium-term is driven by the continuing pace of modernisation and ensuring the Constabulary is fit-for-purpose, properly equipped and has an appropriate estate footprint. This includes significant investment in the estate and in refreshing the growing ICT and digital capabilities to drive more efficient and more effective ways of working

The Group's capital expenditure programme for 2025/26 is shown in **Table 3**:

Table 3: Capital programme 2025/26

	2025/26
	£000
Estates	4,673
ICT schemes and projects	9,144
Vehicles and equipment	1,784
Total	**15,601**

Funding will be from the following sources (see **Table 4**).

Table 4: Funding sources for capital programme 2025/26

	2025/26
	£000
Capital receipts	3,265
Revenue contribution	3,100
Capital financing reserve	5,085
Internal / external borrowing	4,151
Total	**15,601**

Future Efficiency and Savings Plans

As a result of service pressures, the Constabulary is required to achieve savings of £3.594m in 2025/26 and a further £4.619m across the remaining 3 years of the MTFP period. The PCC and Chief Constable are jointly committed to providing the best possible policing service across Suffolk whilst at the same time increasing efficiency and reducing costs.

Inflationary Pressures

The impact of inflation has been felt in 2024/25 through increased prices and higher than budgeted pay awards. Estimates for non-pay inflation for 2025/26 are higher than the Constabulary's forecast in the 2024/25 medium term financial plan and the associated cost increase is unfunded by government.

There is continued pressure for higher pay settlements in 2025/26. The pay award assumption for 2025/26 has been increased from 2% in the 2024/25 MTFP to 3.5% in the 2025/26 MTFP, given the 4.75% increase for officers and staff in 2024/25 and continued cost of living increases.

Full-year expenditure forecasts are prepared monthly and will monitor the impact of inflation during the financial year. The impact of inflation will be mitigated through a combination of measures. These include the reallocation of underspends during the financial year, reprioritisation of planned activities during 2025/26 and the reallocation of budgets where appropriate or the use of reserves. Inflation assumptions will be reconsidered when setting the budget for 2026/27.

Devolution and Police Reform

The English Devolution White Paper was published on 16 December 2024 and sets out the government's intention to widen mayoral Devolution across England by legislating to introduce three tiers of Strategic Authorities. This is known as the Devolution Framework and in July 2025 the English Devolution and Community Empowerment Bill was introduced to Parliament to enact related proposals into legislation. This Bill has passed through the House of Commons and is anticipated to achieve Royal Assent in Spring 2026.

The English Devolution Bill would confer the powers and functions of the Devolution Framework to Mayoral Combined County Authorities and, where geographical boundaries align, mayors would become accountable for the exercise of the Police and Crime Commissioner functions. The bill would also allow mayors to exercise PCC functions over more than one police force area, where those forces align with a mayoral geography.

Suffolk and Norfolk have been announced as being included on the government's Devolution priority programme, with the intention to create a Mayoral Combined County Authority (MCCA) across Norfolk and Suffolk, with a single directly elected Mayor from May 2028. It is expected that the Police and Crime Commissioner functions for Suffolk will transfer to the Mayor of Norfolk and Suffolk following confirmation of a transfer time by the Secretary of State.

The potential for future governance change does not impact the going concern basis of the accounts as, whilst the functions and financial responsibilities of the PCC for Suffolk could potentially be transferred, the statutory functions and responsibilities of the PCC would continue under a Mayoral Combined County Authority. A Police Reform White Paper is also expected to be announced in Spring 2026 which could include significant changes to police force structures, but no detail has been released at this stage. Management of the PCC's office will continue to monitor developments in consultation with local authority colleagues and other advisors. Updates will be reflected in future accounts as more information becomes available.

7. Basis of Preparation

Going Concern

These accounts are prepared on a going concern basis, which assumes that the PCC for Suffolk and the Suffolk PCC Group will continue in operation for the foreseeable future in accordance with the Accounts and Audit Regulations 2015 and the CIPFA Code of Practice on Local Authority Accounting 2024/25. Further information is provided in Note 30 of the financial statements.

Explanation of financial statements

This document contains two sets of accounts:

- **PCC for Suffolk:** PCC single entity accounts; and
- **Suffolk PCC Group:** consolidated accounts which incorporate the PCC single entity accounts and the accounts prepared by the Chief Constable.

The 2024/25 Statement of Accounts for the PCC for Suffolk and the Suffolk PCC Group are set out on the following pages. The purpose of individual primary statements is explained below:

- **The Comprehensive Income and Expenditure Statement** 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 PCC raises taxation to cover expenditure in accordance with regulations and this will be different from the accounting cost. Adjustments made between the accounting and funding bases are shown in the Movement in Reserves Statement and the associated notes to the financial statements.
- **The Balance Sheet** shows the value as at the balance sheet date of the assets and liabilities recognised by the Suffolk PCC Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves. These are reserves that the Group 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 may only be used to fund capital expenditure or repay debt. The second category of reserves are unusable reserves, which the Group is not able to use to provide services. This category of reserves 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 the revaluation gains are realised; and reserves that hold accounting timing differences.
- **The Movement in Reserves Statement** shows the movement in the year on the different reserves held by the Group, analysed into usable and unusable reserves. The surplus or deficit on the Provision of

Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These differ from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes.

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

The PCC is required by statute to make funding decisions on a different basis from the way in which it reports the statement of accounts. A number of adjustments are made to the accounts that are used for budget setting and budget management to incorporate proper accounting adjustments in the area of pensions, employee benefits and depreciation.

The accounting policies are disclosed in Note 1 of the financial statements.

Colette Batson
Chief Finance Officer

Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

Gross Expenditure 2023/24 £000	Income 2023/24 £000	Net Expenditure 2023/24 £000	PCC Group	Note	Gross Expenditure 2024/25 £000	Income 2024/25 £000	Net Expenditure 2024/25 £000
			Division of Service:				
152,667	(11,458)	141,208	Constabulary		162,676	(18,091)	144,584
8,937	(9,155)	(218)	Office of the PCC		7,526	(9,214)	(1,688)
3,301	(2,481)	820	PCC commissioning		3,550	(2,710)	840
164,904	**(23,094)**	**141,810**	**Net Cost of Police Services**		**173,752**	**(30,016)**	**143,736**
			Other Operating Expenditure:				
-	(18,888)	(18,888)	Home Office contribution to police pensions	**(i)**	-	(19,510)	(19,510)
140	-	140	Loss on disposal of fixed assets		-	(144)	(144)
140	**(18,888)**	**(18,748)**	**Total Other Operating Expenditure**		**-**	**(19,654)**	**(19,654)**
			Financing and Investment Income and Expenditure:				
2,677	-	2,677	Interest payable and similar charges		2,158	-	2,158
49,176	-	49,176	Net pensions interest cost	**16**	52,248	-	52,248
-	(2,053)	(2,053)	Interest and investment income		-	(2,205)	(2,205)
51,853	**(2,053)**	**49,800**	**Total Financing and Investment Income and Expenditure**		**54,406**	**(2,205)**	**52,201**
			Taxation and Non-specific Grant Income:				
-	(57,108)	(57,108)	General grants	**7**	-	(61,173)	(61,173)
-	(661)	(661)	Capital grants and contributions		-	(422)	(422)
-	(27,496)	(27,496)	MHCLG funding	**7**	-	(28,061)	(28,061)
-	(69,294)	(69,294)	Precepts	**11**	-	(73,837)	(73,837)
-	**(154,560)**	**(154,560)**	**Total Taxation and Non-specific Grant Income**		**-**	**(163,494)**	**(163,494)**
		18,302	**Deficit on the Provision of Services**				**12,789**
			Other Comprehensive Income and Expenditure:				
		(1,382)	(Surplus)/deficit on the revaluation of assets	**13**			(5,161)
		21,806	Remeasurements of the net defined benefit liability	**16**			(128,922)
		20,424	**Total Other Comprehensive Income and Expenditure**				**(134,083)**
		38,726	**Total Comprehensive (Income) and Expenditure**				**(121,294)**

(i) Details within the Police Pension Fund Account Statement

Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

Gross Expenditure 2023/24 £000	Income 2023/24 £000	Net Expenditure 2023/24 £000	PCC	Note	Gross Expenditure 2024/25 £000	Income 2024/25 £000	Net Expenditure 2024/25 £000
			Division of Service:				
8,937	(9,155)	(218)	Office of the PCC		7,526	(9,214)	(1,688)
3,301	(2,481)	820	PCC commissioning		3,550	(2,710)	840
12,238	**(11,636)**	**602**	**Net Cost of Police Services before group funding**		**11,077**	**(11,925)**	**(848)**
168,930	-	168,930	Intra-group funding	**5**	177,196	-	177,196
181,168	**(11,636)**	**169,532**	**Net Cost of Police Services**		**188,273**	**(11,925)**	**176,348**
			Other Operating Expenditure:				
-	(18,888)	(18,888)	Home Office contribution to police pensions	**(i)**	-	(19,510)	(19,510)
140	-	140	Loss/(profit) on disposal of fixed assets		-	(144)	(144)
140	**(18,888)**	**(18,748)**	**Total Other Operating Expenditure**		**-**	**(19,654)**	**(19,654)**
			Financing and Investment Income and Expenditure:				
2,677	-	2,677	Interest payable and similar charges		2,158	-	2,158
(42)	-	(42)	Net pensions interest cost	**16**	(71)	-	(71)
-	(2,053)	(2,053)	Interest and investment income		-	(2,205)	(2,205)
2,635	**(2,053)**	**582**	**Total Financing and Investment Income and Expenditure**		**2,087**	**(2,205)**	**(118)**
			Taxation and Non-specific Grant Income:				
-	(57,108)	(57,108)	General grants	**7**	-	(61,173)	(61,173)
-	(661)	(661)	Capital grants and contributions		-	(422)	(422)
-	(27,496)	(27,496)	MHCLG funding	**7**	-	(28,061)	(28,061)
-	(69,294)	(69,294)	Precepts	**11**	-	(73,837)	(73,837)
-	**(154,560)**	**(154,560)**	**Total Financing and Investment Income and Expenditure**		**-**	**(163,494)**	**(163,494)**
		(3,194)	**Total (Surplus)/Deficit on the Provision of Services**				**(6,918)**
			Other Comprehensive Income and Expenditure:				
		(1,382)	(Surplus)/deficit on the revaluation of assets	**13**			(5,161)
		(597)	Remeasurements of the net defined benefit liability	**16**			1,566
		(1,979)	**Total Other Comprehensive Income and Expenditure**				**(3,595)**
		(5,173)	**Total Comprehensive (Income) and Expenditure**				**(10,513)**

Balance Sheet as at 31 March 2025

Group 31 March 2024 £000	PCC 31 March 2024 £000		Notes	Group 31 March 2025 £000	PCC 31 March 2025 £000
65,252	65,252	Property, plant and equipment	**13**	69,858	69,858
1,493	1,493	Intangible assets	**13**	1,363	1,363
-	-	Right of use assets	**26**	2,243	2,243
66,745	66,745	**Total long-term assets**		73,464	73,464
155	155	Inventories		164	164
15,281	15,281	Short-term debtors, prepayments and deferred costs	**18**	15,721	15,721
7,882	7,882	Cash and cash equivalents	**19**	7,619	7,619
21,369	21,369	Short-term investments	**17**	25,210	25,210
495	495	Assets held for sale	**20**	375	375
45,182	45,182	**Current assets**		49,089	49,089
111,927	**111,927**	**Total assets**		**122,553**	**122,553**
(20,756)	(19,607)	Short-term creditors and accruals	**21**	(18,467)	(17,344)
(514)	(514)	Short-term borrowing	**23**	(526)	(526)
(1,894)	(1,894)	Provisions	**25**	(2,329)	(2,329)
		ROU lease liabilities	**23**	(99)	(99)
(678)	(678)	PFI liabilities	**15**	(357)	(357)
(23,842)	(22,692)	**Current liabilities**		(21,778)	(20,655)
(1,116,197)	1,500	Pensions liability	**16**	(1,006,942)	()
-	-	Provisions	**25**	(349)	(349)
(5,564)	(5,564)	Long-term borrowing	**23**	(5,139)	(5,139)
(18,954)	(18,954)	PFI liabilities	**15**	(18,597)	(18,597)
-	-	ROU lease liabilities	**23**	(1,088)	(1,088)
(16)	(16)	Grants receipts in advance		(11)	(11)
(1,140,731)	(23,033)	**Long-term liabilities**		(1,032,125)	(25,183)
(1,164,572)	**(45,726)**	**Total liabilities**		**(1,053,903)**	**(45,838)**
(1,052,645)	**66,201**	**Net assets/(liabilities)**		**(931,350)**	**76,714**
30,970	30,970	Usable reserves	**(ii)**	36,631	36,631
(1,083,615)	35,231	Unusable reserves	**27**	(967,982)	40,083
(1,052,645)	**66,201**	**Total reserves**		**(931,350)**	**76,714**

(ii) Details within the Movement in Reserves Statement

These statements replace the unaudited financial statements issued on 30 June 2025.

Colette Batson

Chief Finance Officer PCC

.... 2026

Movement in Reserves Statement

PCC Group Year Ended 31 March 2025	Note	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2024		**27,756**	**2,890**	**324**	**30,970**	**(1,083,614)**	**(1,052,644)**
Movement in Reserves during 2024/25							
Deficit on the provision of services	**(iii)**	(12,789)	-	-	**(12,789)**	**-**	**(12,789)**
Other comprehensive income and (expenditure)	**(iii)**	-	-	-	**-**	**134,083**	**134,083**
Total comprehensive income and expenditure		**(12,789)**	**-**	**-**	**(12,789)**	**134,083**	**121,294**
Amortisation of intangible assets	**13**	558	-	-	**558**	**(558)**	**-**
Depreciation on property, plant and equipment and ROU assets	**13 & 26**	4,909	-	-	**4,909**	**(4,909)**	**-**
Revaluation gains on property, plant and equipment	**13**	(749)	-	-	**(749)**	**749**	**-**
Capital grants and contributions credited to the CIES	**(iii)**	(422)	-	422	**-**	**-**	**-**
Application of capital grants from unapplied account		-	-	(494)	**(494)**	**494**	**-**
Net gain or loss on the sale of non-current assets	**(iii)**	(144)	789	-	**645**	**(645)**	**-**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	40	-	**40**	**(40)**	**-**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		39,178	-	-	**39,178**	**(39,178)**	**-**
Movement on the Collection Fund Adjustment Account		(87)	-	-	**(87)**	**87**	**-**
Capital expenditure charged to the General Fund Balance	**14**	(3,815)	-	-	**(3,815)**	**3,815**	**-**
Statutory provision for the repayment of debt	**14**	(1,369)	-	-	**(1,369)**	**1,369**	**-**
Contribution to the Police Pension Fund	**(iii)**	(19,510)	-	-	**(19,510)**	**19,510**	**-**
Increase/(decrease) on the Compensated Absences Account		(26)	-	-	**(26)**	**26**	**-**
Use of capital receipts to fund asset purchases		-	(829)	-	**(829)**	**829**	**-**
Adjustments between accounting basis and funding basis under regulations		**18,523**	**(0)**	**(72)**	**18,451**	**(18,451)**	**-**
Increase/(decrease) in year		**5,734**	**(0)**	**(72)**	**5,662**	**115,632**	**121,294**
Balance at 31 March 2025		**33,490**	**2,890**	**252**	**36,631**	**(967,982)**	**(931,350)**

(iii) Details in Comprehensive Income and Expenditure Statement

PCC Group Year Ended 31 March 2024		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Total Usable Reserves £000**	**Total Unusable Reserves £000**	**Total Reserves £000**
Balance at 1 April 2023		**23,789**	**2,653**	**252**	**26,693**	**(1,040,612)**	**(1,013,920)**
Movement in Reserves during 2023/24							
Deficit on the provision of services	**(iii)**	(18,302)	-	-	**(18,302)**	**-**	**(18,302)**
Other comprehensive income and (expenditure)	**(iii)**	-	-	-	**-**	**(20,424)**	**(20,424)**
Total comprehensive income and expenditure		**(18,302)**	**-**	**-**	**(18,302)**	**(20,424)**	**(38,726)**
Amortisation of intangible assets	**13**	737	-	-	**737**	**(737)**	**-**
Depreciation on property, plant and equipment	**13 & 26**	4,649	-	-	**4,649**	**(4,649)**	**-**
Revaluation losses on property, plant and equipment	**13**	839	-	-	**839**	**(839)**	**-**
Capital grants and contributions credited to the CIES	**(iii)**	(661)	-	661	**-**	**-**	**-**
Application of capital grants from unapplied account		-	-	(590)	**(590)**	**590**	**-**
Net gain or loss on the sale of non-current assets	**(iii)**	140	119	-	**259**	**(259)**	**-**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	119	-	**119**	**(119)**	**-**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		40,387	-	-	**40,387**	**(40,387)**	**-**
Movement on the Collection Fund Adjustment Account		612	-	-	**612**	**(612)**	**-**
Capital expenditure charged to the General Fund Balance	**14**	(4,434)	-	-	**(4,434)**	**4,434**	**-**
Statutory provision for the repayment of debt	**14**	(1,085)	-	-	**(1,085)**	**1,085**	**-**
Contribution to the Police Pension Fund	**(iii)**	(18,888)	-	-	**(18,888)**	**18,888**	**-**
Increase/(decrease) on the Compensated Absences Account		(24)	-	-	**(24)**	**24**	**-**
Use of capital receipts to fund asset purchases		-	-	-	**-**	**-**	**-**
Adjustments between accounting basis and funding basis under regulations		**22,272**	**238**	**72**	**22,581**	**(22,581)**	**-**
Increase/(decrease) in year		**3,970**	**238**	**72**	**4,279**	**(43,005)**	**(38,726)**
Balance at 31 March 2024		**27,756**	**2,890**	**324**	**30,970**	**(1,083,614)**	**(1,052,644)**

PCC Year Ended 31 March 2025	Note	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Total Usable Reserves £000**	**Total Unusable Reserves £000**	**Total Reserves £000**
Balance at 1 April 2024		**27,756**	**2,890**	**322**	**30,969**	**35,231**	**66,200**
Movement in Reserves during 2024/25							
Surplus on provision of services	**(iii)**	6,918	-	-	**6,918**	**-**	**6,918**
Other comprehensive income and expenditure	**(iii)**	-	-	-	**-**	**3,595**	**3,595**
Total comprehensive income and expenditure		**6,918**	**-**	**-**	**6,918**	**3,595**	**10,513**
Amortisation of intangible assets	**13**	558	-	-	**558**	**(558)**	**-**
Depreciation on property, plant and equipment	**13 & 26**	4,909	-	-	**4,909**	**(4,909)**	**-**
Revaluation gains on property, plant and equipment	**13**	(749)	-	-	**(749)**	**749**	**-**
Capital grants and contributions credited to the CIES	**(iii)**	(422)	-	422	**-**	**-**	**-**
Application of capital grants from unapplied account		-	-	(494)	**(494)**	**494**	**-**
Net gain or loss on the sale of non-current assets	**(iii)**	(144)	789	-	**645**	**(645)**	**-**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	40	-	**40**	**(40)**	**-**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		(66)	-	-	**(66)**	**66**	**-**
Movement on the Collection Fund Adjustment Account		(87)	-	-	**(87)**	**87**	**-**
Capital expenditure charged to the General Fund Balance	**14**	(3,815)	-	-	**(3,815)**	**3,815**	**-**
Statutory provision for the repayment of debt	**14**	(1,369)	-	-	**(1,369)**	**1,369**	**-**
Use of capital receipts to fund asset purchases		-	(829)	-	**(829)**	**829**	**-**
Adjustments between accounting basis and funding basis under regulations		**(1,184)**	**(0)**	**(72)**	**(1,256)**	**1,256**	**-**
Increase/(decrease) in year		**5,733**	**(0)**	**(72)**	**5,661**	**4,852**	**10,513**
Balance at 31 March 2025		**33,491**	**2,890**	**250**	**36,631**	**40,083**	**76,713**

PCC **Year Ended 31 March 2024**	**Note**	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	**Total Usable Reserves £000**	**Total Unusable Reserves £000**	**Total Reserves £000**
Balance at 1 April 2023		**23,788**	**2,653**	**251**	**26,691**	**34,338**	**61,029**
Movement in Reserves during 2023/24							
Deficit on provision of services	**(iii)**	3,194	-	-	**3,194**	**-**	**3,194**
Other comprehensive income and expenditure	**(iii)**	-	-	-	**-**	**1,979**	**1,979**
Total comprehensive income and expenditure		**3,194**	**-**	**-**	**3,194**	**1,979**	**5,173**
Amortisation of intangible assets	**13**	737	-	-	**737**	**(737)**	**-**
Depreciation on property, plant and equipment	**13 & 26**	4,649	-	-	**4,649**	**(4,649)**	**-**
Revaluation losses on property, plant and equipment	**13**	839	-	-	**839**	**(839)**	**-**
Capital grants and contributions credited to the CIES	**(iii)**	(661)	-	661	**-**	**-**	**-**
Application of capital grants from unapplied account		-	-	(590)	**(590)**	**590**	**-**
Net gain or loss on the sale of non-current assets	**(iii)**	140	119	-	**259**	**(259)**	**-**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	119	-	**119**	**(119)**	**-**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		(21)	-	-	**(21)**	**21**	**-**
Movement on the Collection Fund Adjustment Account		612	-	-	**612**	**(612)**	**-**
Capital expenditure charged to the General Fund Balance	**14**	(4,434)	-	-	**(4,434)**	**4,434**	**-**
Statutory provision for the repayment of debt	**14**	(1,085)	-	-	**(1,085)**	**1,085**	**-**
Adjustments between accounting basis and funding basis under regulations		**775**	**238**	**72**	**1,085**	**(1,085)**	**-**
Increase/(decrease) in year		**3,970**	**238**	**72**	**4,279**	**894**	**5,173**
Balance at 31 March 2024		**27,755**	**2,890**	**322**	**30,970**	**35,231**	**66,202**

Cash flow Statement for the year ended 31 March 2025

Group 2023/24 £000	PCC 2023/24 £000		Note	Group 2024/25 £000	PCC 2024/25 £000
(18,302)	**3,194**	**Net surplus/(deficit) on the provision of services**	**(iv)**	**(12,789)**	**6,918**
32,500	11,003	Adjustment for non-cash or cash equivalent movements	**22**	23,390	3,683
(661)	(661)	Capital grants and contributions		(422)	(422)
13,536	**13,536**	**Net cash flows from operating activities**		**10,178**	**10,178**
		Investing activities			
(5,509)	(5,509)	Purchase of non current assets		(6,395)	(6,395)
(56,000)	(56,000)	Purchase of short-term or long-term investments		(75,000)	(75,000)
119	119	Proceeds from the sale of non currents assets		789	789
52,000	52,000	Proceeds from short-term or long-term investments		71,000	71,000
661	661	Other receipts from investing activities		422	422
(8,729)	**(8,729)**	**Net cash flows from investing activities**		**(9,184)**	**(9,184)**
		Financing activities			
(708)	(708)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on balance sheet PFI contracts		(851)	(851)
(389)	(389)	Repayments of short- and long-term borrowing		(406)	(406)
(1,097)	**(1,097)**	**Net cash flows from financing activities**		**(1,258)**	**(1,258)**
3,710	**3,709**	**Net increase or (decrease) in cash and cash equivalents**		**(263)**	**(263)**
4,172	4,172	Cash and cash equivalents at the beginning of the period	**19**	7,882	7,882
7,882	**7,882**	**Cash and cash equivalents at the end of the period**	**19**	**7,619**	**7,619**

(iv) Details in Comprehensive Income and Expenditure Statement

Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the financial statements; however, it is positioned here as it provides a link from the figures reported in the Narrative Report to the CIES.

Net Expenditure Chargeable to the General Fund Balances 2023/24 £000	Adjustments between Funding and Accounting Basis 2023/24 £000	Net Expenditure in the CIES 2023/24 £000	Group	Net Expenditure Chargeable to the General Fund Balances 2024/25 £000	Adjustments between Funding and Accounting Basis 2024/25 £000	Net Expenditure in the CIES 2024/25 £000
			Year Ended 31 March			
150,042	(8,834)	141,208	Constabulary	157,686	(13,102)	144,584
(6,463)	6,246	(218)	Office of the PCC	(6,411)	4,724	(1,688)
820	-	820	PCC commissioning	840	-	840
144,399	**(2,588)**	**141,810**	**Net Cost of Police Services**	**152,114**	**(8,378)**	**143,736**
(148,368)	24,860	(123,508)	Other income and expenditure	(157,848)	26,901	(130,947)
(3,970)	**22,272**	**18,302**	**Deficit/(Surplus) on the Provision of Services**	**(5,734)**	**18,523**	**12,789**
23,788			Opening General Fund balance at 1 April	27,757		
27,757			**Closing General Fund Balance at 31 March**	**33,490**		

Net Expenditure Chargeable to the General Fund Balances 2023/24 £000	Adjustments between Funding and Accounting Basis 2023/24 £000	Net Expenditure in the CIES 2023/24 £000	PCC	Net Expenditure Chargeable to the General Fund Balances 2024/25 £000	Adjustments between Funding and Accounting Basis 2024/25 £000	Net Expenditure in the CIES 2024/25 £000
			Year Ended 31 March			
(6,463)	6,246	(218)	Office of the PCC	(6,411)	4,724	(1,688)
820	-	820	PCC commissioning	840	-	840
168,930	-	168,930	Intra-group funding	177,196	-	177,196
163,286	**6,246**	**169,532**	**Net Cost of Police Services**	**171,625**	**4,724**	**176,348**
(167,257)	(5,470)	(172,726)	Other income and expenditure	(177,358)	(5,908)	(183,266)
(3,970)	**775**	**(3,194)**	**Deficit/(Surplus) on the Provision of Services**	**(5,733)**	**(1,184)**	**(6,918)**
23,788			Opening General Fund balance at 1 April	27,758		
27,758			**Closing General Fund Balance at 31 March**	**33,490**		

Notes to the Financial Statements

Notes to the Financial Statements for the PCC for Suffolk and the PCC for Suffolk Group

1. Accounting Policies

General principles

The Statement of Accounts summarises the Group's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Group is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Cost recognition and intra-group adjustment

Refer to Note 5 for further details.

Recognition of working capital

The Scheme of Governance and Consent sets out the roles and responsibilities of the Police and Crime Commissioner and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not in the financial period in which cash payments are paid or received.

Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors and creditors

Revenue and capital transactions are included in the accounts on an accruals basis. Where goods and services are ordered and delivered by the year-end, the actual or estimated value of the order is accrued. With the exception of purchasing system generated accruals a de-minimis level of £1,000 is set for year-end accruals of purchase invoices, except where they relate to grant funded items, where no de-minimis is used. Other classes of accrual are reviewed to identify their magnitude. Where the inclusion or omission of an accrual would not have a material impact on the Statement of Accounts, either individually or cumulatively, it is omitted.

Charges to the Comprehensive Income and Expenditure Statement (CIES) for Non-Current Assets

Net cost of policing of the PCC is debited with the following amounts to record the cost of holding non-current assets during the year:

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

The PCC is not required to raise council tax to fund depreciation, revaluation, impairment losses or amortisation. However, it is required to make an annual contribution from revenue, the Minimum Revenue Provision (MRP), towards the reduction in the overall borrowing requirement (represented by the Capital Financing Requirement) equal to an amount calculated on a prudent basis determined by the PCC in accordance with statutory guidance.

Depreciation, amortisation, and revaluation and impairment losses are reversed from the General Fund and charged to the Capital Adjustment Account via the Movement in Reserves Statement (MiRS). MRP is charged to the General Fund along with any Revenue Funding of Capital and credited to the Capital Adjustment Account via the MiRS.

Guidance issued under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, enables authorities to calculate an amount of MRP, which they consider to be prudent. For capital expenditure incurred from 2008/09, the PCC has approved calculating the MRP using the Option 3 method, which results in MRP being charged over the related assets' useful life.

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

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on the acquisition, creation or enhancement and disposal of non-current assets is capitalised subject to a de-minimis threshold of £10,000. Expenditure below this amount on an individual asset is treated as revenue, with the following exceptions:

- Desktop and laptop computers and tablets
- Monitors
- Widespread replacement of communication devices
- Servers
- Software licences
- Radios
- Firearms including TASERs
- Vehicles with a life exceeding 12 months
- Annual Assets (projects incurring expenditure throughout the year which are not classified as assets under construction)
- Where government grant funding has been sought and received for specific expenditure on the assumption that both the grant and expenditure are treated as capital

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Group does not capitalise borrowing costs incurred on the acquisition or construction of non-current assets.

The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Group). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Group.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant

Income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund balance to the Capital Adjustment Account in the MiRS.

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

- Assets under construction – historic cost until the asset is live (assets under construction are not depreciated).
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
- Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for in the following way:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the net cost of policing of the PCC in the CIES.

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.

<u>Impairment</u>

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 in the following way:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

<u>Depreciation</u>

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

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer.

- Vehicles, plant and equipment – straight-line allocation over the useful life of the asset.

The Code requires that where a property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately, where the remaining asset life is significantly different for identifiable components, unless it can be proved that the impact on the Group's Statement of Accounts is not material. The Group has assessed the cumulative impact of component accounting. As a result the Group applies component accounting prospectively to assets that have a valuation in excess of £2m unless there is clear evidence that this would lead to a material misstatement in the Group's Financial Statements.

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.

Depreciation or amortisation is charged in both the year of acquisition and disposal of an asset on a pro rata basis. Depreciation or amortisation is charged once an asset is in service and consuming economic benefit.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification, on the basis relevant to the asset class prior to reclassification, and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and are to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment, or set aside to reduce the PCC's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund balance in the MiRS.

The written-off value of disposals is not a charge against council tax, as the cost of non-current fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the MiRS.

Fair Value Measurement

The Group measures some of its non-financial assets such as surplus assets and investment properties at fair value on 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:

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

The Group measure 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 or by selling it to another market participant that would use 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.
- Level 3 – unobservable inputs for the asset or liability.

Intangible assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Group will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase. Research expenditure is not capitalised.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the PCC or Group's 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 asset held by the Group meets this criterion, and they are therefore carried at amortised cost.

The depreciable amount of a finite intangible asset is amortised over its useful life and charged to the net cost of policing of the PCC in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the net cost of policing of the PCC in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

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

Council Tax

Billing authorities act as agents, collecting council tax on behalf of the major preceptors, which includes the PCC. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax. Under the legislative framework for the Collection Fund, billing authorities and major preceptors share proportionately the risks and rewards that the amount of council tax collected could be less or more than predicted.

The council tax income included in the CIES is the PCC's share of accrued income for the year. However, regulations determine the amount of council tax that must be included in the PCC’s General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the MiRS. The Balance Sheet includes the PCC’s share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

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

Employee benefits

Benefits payable during employment

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end. The accrual is made at the most recent wage and salary rates applicable.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the entity to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity 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 entity to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Officers have the option of joining the Police Pension Scheme 2015. Civilian employees have the option of joining the Local Government Pension Scheme (LGPS), administered by Suffolk County Council. All of the schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Constabulary and the Office of the Police and Crime Commissioner, all of the schemes are accounted for as defined benefit schemes. There are also two legacy Police Pension Schemes (PPS 1987 and NPPS 2006) which are closed to new entrants but still pay benefits to existing retired and deferred members.

The liabilities attributable to the Group of all four schemes are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits (including injury benefits on the Police Schemes) earned to date by officers and employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current officers and employees.

Liabilities are discounted to their value at current prices, using a discount rate specified each year by the actuaries.

The assets of the LGPS attributable to the Group are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price.
- Unquoted securities – professional estimate.
- Unitised securities – current bid price.
- Property – market value.

All three of the police schemes are unfunded and therefore do not have any assets. Benefits are funded from the contributions made by currently serving officers and a notional employer’s contribution paid from the general fund; any shortfall is partially topped up by a grant from the Home Office.

The change in the net pensions liability is analysed into six components:

- Current service cost – the increase in liabilities as a result of years of service earned this year, it is debited to the net cost of policing in the CIES. The current service cost is based on the latest available actuarial valuation.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. Past service costs are debited to the net cost of policing in the CIES.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. It is charged to the Financing and Investment Income and Expenditure line in the CIES. The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. They are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the four pension funds – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amounts payable by the Group to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. This means that in the MiRS there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the 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 are earned by employees.

<u>Discretionary Benefits</u>

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

The Group makes payments to police officers in relation to injury awards, and the expected injury awards for active members are valued on an actuarial basis.

Events after the reporting period

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

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events. However, 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.

Financial Instruments

<u>Financial Liabilities</u>

Financial liabilities are recognised on the Balance Sheet when the PCC 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 CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

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

Financial Assets Measured at Amortised Cost

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

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The PCC recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the PCC.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Government grants and contributions

All government grants are received in the name of the PCC. However, where grants and contributions are specific to expenditure incurred by the Chief Constable, they are recorded as income within the Chief Constable’s accounts. Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Group when there is reasonable assurance that:

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

Amounts recognised as due to the Group are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using 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 within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MiRS. 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.

Investment policy

The PCC works closely with its external treasury advisors MUFG Corporate Markets to determine the criteria for high quality institutions. The criteria for providing a pool of high-quality investment counterparties for inclusion on the PCC's 'Approved Authorised Counterparty List' is provided below:

- UK Banks which have the following minimum ratings from at least one of the three credit rating agencies:

UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

- Non-UK Banks domiciled in a country which has a minimum sovereign rating of AA+ and have the following minimum ratings from at least one of the three credit rating agencies:

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- Part Nationalised UK Banks;
- The PCC's Corporate Banker (Lloyds Bank) – if the credit ratings of the PCC's Corporate Banker fall below the minimum criteria for UK Banks above, then cash balances held with that bank will be for account operation purposes only and balances will be minimised in terms of monetary size and time;
- Building Societies (which meet the minimum ratings criteria for UK Banks);
- Money Market Funds (which are rated AAA by at least one of the three major rating agencies);
- UK Government;
- Local Authorities, PCCs etc.

All cash invested by the PCC in 2024/25 was in Sterling deposits invested with banks and other institutions in accordance with the Approved Authorised Counterparty List.

Joint operations and joint assets

Joint operations are activities undertaken by the PCC or the Chief Constable in conjunction with other bodies, which involve the use of the assets and resources of the Group or the other body, rather than the establishment of a separate entity. The Group recognises on the PCC Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the relevant CIES with its share of the expenditure incurred and income earned from the activity of the operation.

Joint assets are items of property, plant and equipment that are jointly controlled by the Group and other bodies, with the assets being used to obtain benefits for these bodies. The joint operation does not involve the establishment of a separate entity. The Group accounts for only its share of the joint assets, and the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the arrangement.

Leases

The PCC as lessee

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

Initial measurement

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

The PCC initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PCC's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

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

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

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

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The PCC considers the cost model to be a reasonable proxy in the majority of cases, except for leases which do not reflect market conditions. For those leases, the asset is carried at a revalued amount.

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

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

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

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

Low value and short lease exemption

As permitted by the Code, the PCC excludes leases:

- For low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and

- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the PCC is reasonably certain to exercise and any termination options that the PCC is reasonably certain not to exercise).

Lease expenditure

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

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

The PCC as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Where the PCC grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the PCC's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the MiRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the MiRS. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MiRS.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Operating Leases

Where the PCC grants an operating lease over a property or an item of plant and equipment, the asset is retained in the Balance Sheet. Rental income is credited to the net cost of policing line in the CIES. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI scheme, and for the Police Investigation Centres (PICs) ownership of the property, plant and equipment will pass to the Group at the end of the contracts for no additional charge, the Group carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. The liability was written down by the initial contribution.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Group.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the Chief Constable's net cost of policing in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Variable lease payments – Any payments that are based on performance, volume or usage are charged to the cost of services in the CIES.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – these are included as part of the unitary payment such that the supplier absorbs any peaks and troughs throughout the life of the contract.

PFI arrangements are now accounted under *IFRS 16*. Under this standard there is a requirement to remeasure the associated PFI liability where unitary charge increases are linked to a specific index. However, indexed increases to the PCC's unitary charge are only linked to the service element of the arrangements and not to the property element. As such there is no requirement to remeasure the value of the PFI liability on the balance sheet for current arrangements. The PFI assets are however revalued in accordance with the property revaluation policy.

Provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Group may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

The insurance claims provision is maintained to meet the liabilities for claims received but for which the timing and/or the amount of the liability is uncertain. The Group self-insures part of the third party, motor and employer's liability risks. External insurers provide cover for large individual claims and to cap the total claims which have to be met from the provision in any insurance year. Charges are made to revenue to cover the external premiums and the estimated liabilities which will not be met by external insurers. Liability claims may be received several years after the event and can take many years to settle.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Reserves

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund balance in the MiRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund balance in the MiRS so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC – these reserves are explained in the following paragraphs:

<u>Revaluation Reserve</u>

This reserve records the accumulated gains on non-current assets arising from increases in value, as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value). The reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred, only because the asset has been revalued. The balance on this reserve for assets disposed is written out to the Capital Adjustment Account. The overall balance on this reserve thus represents the amount by which the current value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historic cost.

<u>Capital Adjustment Account</u>

This account accumulates (on the debit side) the write-down of the historical costs of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The balance on this account represents timing differences between the amount of the historical cost of the non-current assets that have been consumed and the amount that has been financed in accordance with statutory requirements.

<u>Pension Reserve</u>

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 PCC accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the PCC and Chief Constable make employer’s contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the PCC and Chief Constable have 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.

Value Added Tax

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Group's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable.

Going Concern

The Code stipulates that the financial statements of local authorities that can only be discontinued under statutory prescription shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, in order to assist External Audit with establishing their going concern conclusion, a review of going concern is carried out by management. Refer to section 7 of the narrative report and Note 30 for detail of this review.

2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Financial Statements have been prepared in accordance with the Code, which is based on International Financial Reporting Standards (IFRSs).

The amendments required to be adopted under the 2025/26 Code are:

- **IAS 21 *The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)*** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 *Insurance Contracts*** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change.

Application of the Standards referred to above, as adopted by the Code, is required by 1 April 2025, and these standards will be initially adopted as at 1 April 2025, where applicable. The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

It is not expected that the adoption of any of the standards listed above will have a material effect on the 2025/26 financial statements.

3. Critical Judgements in Applying Accounting Policies

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

- The budget is set by the PCC and provides the Chief Constable with the authority to incur expenditure. There are still uncertainties about the future funding beyond 2025/26 in regard of what the PCC will receive from the government and limitations around the precept. The PCC and the Chief Constable are working together to mitigate the impact of the funding gap emerging over the period of the Medium-Term Financial Plan, the impact of which will be realised in the budget set by the PCC.

- The allocation of transactions and balances between the PCC and the Chief Constable has been set out in the Narrative Report to these accounts.

- The PCC has taken over the obligations arising from a PFI contract entered into by the former Police Authority. The 30 year PFI contract was for the provision of newly built Police Investigation Centres, title to the assets will be retained by the PCCs of both Norfolk and Suffolk on completion of the contract. Associated assets have been capitalised and treated “on Balance Sheet” as required by IFRS.

- The PCC has a significant number of assets including those under PFI arrangements. The PCC has the responsibility, control and risk in terms of the provision of those assets. Consequently, a critical judgement has been made to show any connected grant funding (e.g. for PFI), and the capital and financing costs of the provision of those assets in the PCC accounts. As the Chief Constable utilises the assets on a day-to-day basis, the officers and staff of the Chief Constable have responsibility for the use of the consumables, heating and lighting and so forth. Consequently, these costs are shown in the Chief Constable accounts including the service charges element of the PFI.

- Costs of pension arrangements require estimates assessed by independent qualified actuaries regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS19 reporting are the responsibility of the Group as advised by the actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.

- In respect of the LGPS police staff pension costs, separate actuarial valuations have been carried out to provide the accounting entries for the PCC and the Chief Constable in 2024/25 and are reflected in the financial statements.

- Under accounting standards, an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised in the accounts to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions to the plan. However, as the Employer has no unconditional right to a refund from the Fund, there is therefore no economic benefit available as a refund, so a judgment has been made to limit the surplus recognised in the accounts to the present value of reductions in future contributions.

- Establishing the valuation of operational properties by monitoring the useful life of assets to identify where any changes to the depreciation charge are required during the year. Depreciation is a calculation based on asset value and expected useful life of the assets. If the useful life of an asset is reduced then the depreciation charge to the CIES will increase.

- To improve the efficient use of publicly owned buildings, the PCC and other local government bodies engage in the shared use of key sites. This includes fire stations, where sites have been redeveloped to accommodate police stations and offices. The PCC has made significant financial contributions to these development projects. Rights to access the land and shared areas are granted through leasehold arrangements. Many of the leases contain options to break by both parties at regular dates throughout the lease terms and as such were historically classified as operating leases for accounting purposes, although are now on Balance Sheet following the implementation of IFRS 16. The capital contributions made by the PCC are however protected by clauses that require the lessor to repay to the lessee the capital contributions made, less depreciation, in the event of the lessor issuing a break notice. The PCC therefore receives the full benefit of the contributions made, either by use of the asset throughout the full term of the lease or by way of a repayment of the contribution made. As such the contributions to the redevelopments made are de facto assets and have been capitalised and depreciated over the full lease term as there is no current intention by the PCC to issue an early option to break notice. As the value and associated cash flow of these assets are linked to the depreciated historic cost, the valuers consider depreciated historic cost as an appropriate proxy for current value.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the PCC with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £92.2m.

The value of the LGPS pension fund assets is calculated by the actuary as part of the formal triennial valuation process, and rolled forward to the balance sheet date, allowing for any movements in the year. These movements include investment returns, which may be estimated where necessary. However, the figure for 2024/25 incorporates actual returns for the period 1 April 2024 to 31 March 2025.

Property, Plant and Equipment

The value of land and property together with the asset lives are obtained from the PCC’s appointed external valuers. The PCC relies upon the experience and knowledge of the valuer using the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual to provide a fair value under IAS16. The carrying value of land and buildings (excluding assets under construction, ROU assets, surplus assets and assets held for sale) at the Balance Sheet date was as follows:

Land £15.4m

Buildings £42.9m

Property valuations are prepared on a five year rolling basis, however, to ensure there is no material difference between the carrying value and current value, major assets are valued more frequently.

Properties are not held for profit or sale, nor are they held as security against financial borrowing, therefore valuation uncertainty around estimates does not result in significant risk to the Constabulary.

Although the valuation estimate is based on the valuer's professional judgement, the following table shows the impact of an overall percentage fall in asset valuations on the balance sheet and CIES.

	Impact of a percentage drop in asset valuations		
	1%	10%	20%
	£000	£000	£000
Change in the carrying value of assets	(583)	(5,833)	(11,666)
Change in the revaluation reserve	(500)	(4,945)	(9,865)
Additional charge to Other Comprehensive Income and Expenditure in the CIES	83	888	1,800

Insurance Provisions

Insurance provisions are made where there is an expected financial settlement or an incurrence of cost. Estimations are prudently assessed based on information to hand at 31 March 2025. In many cases, actual costs turn out less than the carrying provision, however in some cases settlement and costs turn out to be higher than the carrying provision as more information regarding an event becomes available.

5. Intra-group Funding Arrangement Between the PCC and Chief Constable

The background and principles that underpin the accounting arrangements and create the need for an intra-group adjustment have been set out in the Narrative Report.

The PCC received all funding on behalf of the Group; at no time, under the current arrangements, does the Chief Constable hold any cash or reserves. However, it is felt that to accurately represent the substance of the financial impact of the day-to-day control exercised by the Chief Constable over policing it is necessary to capture the costs associated with this activity in the Chief Constable's CIES. A consequence of this is that the employment liabilities associated with police officers and police staff are also contained in the Chief Constable's CIES and the accumulative balances are held on the Chief Constable's Balance Sheet. All other assets and liabilities are held on the PCC's Balance Sheet.

Whilst no actual cash changes hands the PCC has undertaken to fund the resources consumed by the Chief Constable. The PCC effectively makes all payments from the Police Fund. To reflect this position in the Accounts, funding from the PCC offsets cost of service expenditure contained in the Chief Constable's CIES. This intra-group adjustment is mirrored in the PCC's CIES. The financial impact associated with the costs of the employment liabilities are carried on the balance sheet in accordance with the Code and added to the carrying value of the pensions liability and accumulated absences liability.

6. Notes to the Expenditure and Funding Analysis

Adjustments between the CIES and the General Fund – Group

Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2023/24 £000	Year Ended 31 March	Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2024/25 £000
-	(8,810)	(24)	(8,834)	Constabulary	-	(13,076)	(26)	(13,102)
6,225	21	-	6,246	Office of the PCC	4,718	5	-	4,724
-	-	-	-	PCC commissioning	-	-	-	-
6,225	**(8,789)**	**(24)**	**(2,588)**	**Net Cost of Police Services**	**4,718**	**(13,070)**	**(26)**	**(8,378)**
(6,040)	30,288	612	24,860	Other income and expenditure	(5,750)	32,738	(87)	26,901
185	**21,499**	**588**	**22,272**	**Difference between General Fund Deficit/(Surplus) & CIES Deficit/(Surplus)**	**(1,032)**	**19,668**	**(113)**	**18,523**

Adjustments between the CIES and the General Fund – PCC

Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2023/24 £000	Year Ended 31 March	Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2024/25 £000
6,225	21	-	6,246	Office of the PCC	4,718	5	-	4,724
-	-	-	-	PCC commissioning	-	-	-	-
6,225	**21**	**-**	**6,246**	**Net Cost of Police Services**	**4,718**	**5**	**-**	**4,724**
(6,040)	(42)	612	(5,470)	Other income and expenditure	(5,750)	(71)	(87)	(5,908)
185	**(21)**	**612**	**775**	**Difference between General Fund Deficit/(Surplus) & CIES Deficit/(Surplus)**	**(1,032)**	**(66)**	**(87)**	**(1,184)**

Expenditure and Income Analysed by Nature

Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2023/24 £000	Total PCC 2023/24 £000		Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2024/25 £000	Total PCC 2024/25 £000
					Expenditure					
126,586	797	22	**127,405**	**819**	Employee benefits expenses	133,528	691	23	**134,243**	**714**
26,081	1,915	3,279	**31,275**	**5,194**	Other service expenditure	29,147	2,117	3,527	**34,791**	**5,644**
-	6,225	-	**6,225**	**6,225**	Depreciation, amortisation, impairment	-	4,718	-	**4,718**	**4,718**
49,218	(42)	-	**49,176**	**(42)**	Net pensions interest cost	52,319	(71)	-	**52,248**	**(71)**
-	2,677	-	**2,677**	**2,677**	Interest payments	-	2,158	-	**2,158**	**2,158**
-	140	-	**140**	**140**	Loss on the disposal of assets	-	-	-	**-**	**-**
201,885	**11,712**	**3,301**	**216,897**	**15,013**	**Total Expenditure**	**214,995**	**9,613**	**3,550**	**228,158**	**13,164**
					Income					
(8,240)	(103)	(5)	**(8,349)**	**(109)**	Fees, charges and other service income	(11,773)	(107)	(12)	**(11,892)**	**(119)**
-	(2,053)	-	**(2,053)**	**(2,053)**	Interest and investment income	-	(2,205)	-	**(2,205)**	**(2,205)**
			-	**-**	Gain on the disposal of assets		(144)		**(144)**	**(144)**
-	(69,294)	-	**(69,294)**	**(69,294)**	Income from council tax	-	(73,837)	-	**(73,837)**	**(73,837)**
(3,218)	(113,205)	(2,476)	**(118,899)**	**(115,681)**	Government grants and contributions	(6,318)	(118,274)	(2,698)	**(127,290)**	**(120,972)**
(11,458)	**(184,656)**	**(2,481)**	**(198,595)**	**(187,137)**	**Total Income**	**(18,091)**	**(194,567)**	**(2,710)**	**(215,369)**	**(197,278)**
190,426	**(172,944)**	**820**	**18,302**	**(172,124)**	**Deficit/(Surplus) on the Provision of Services**	**196,903**	**(184,954)**	**840**	**12,789**	**(184,114)**
				168,930	**Intra Group Funding (PCC Only)**					**177,196**
190,426	**(172,944)**	**820**	**18,302**	**(3,194)**	**Deficit/(Surplus) on the Provision of Services after Intra Group Funding**	**196,903**	**(184,954)**	**840**	**12,789**	**(6,918)**

7. Government Grants

The following Government grants and contributions were credited to the CIES during the year:

	Group		PCC	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Credited to Taxation and Non Specific Grant Income				
General police grant	54,387	50,322	54,387	50,322
Council tax support grant	4,891	4,891	4,891	4,891
Council tax freeze grant	1,895	1,895	1,895	1,895
Council tax income compensation grant	-	-	-	-
Capital grants and contributions	422	661	422	661
MHCLG funding	28,061	27,496	28,061	27,496
Precepts	73,837	69,294	73,837	69,294
	163,494	**154,560**	**163,494**	**154,560**
Credited to Other Operating Expenditure				
Home Office contribution to police pensions	19,510	18,888	19,510	18,888
	19,510	**18,888**	**19,510**	**18,888**
Credited to Services				
Police incentivisation	386	262	-	-
Specific grant for police pension	3,972	1,163	-	-
PFI grant	2,733	2,733	2,733	2,733
Other specific grants	11,033	10,588	9,073	8,795
	18,124	**14,745**	**11,806**	**11,527**

Other specific grants credited to services for the Group include: £4.884m Operation Uplift, Police special grant – pay award £4.474m and a £1.7m Ministry of Justice Grant, the latter was wholly credited to services for the PCC.

Capital Grants and contributions includes both central and local government contributions.

8. Employees' Remuneration

The numbers of employees and senior police officers (at rank of Chief Superintendent and above at any point during the year) whose remuneration exceeded £50k in 2024/25 were as follows:

Group 2024/25	Group 2023/24	Remuneration	PCC 2024/25	PCC 2023/24
34	28	£50,000 - £54,999	-	2
15	11	£55,000 - £59,999	2	2
7	11	£60,000 - £64,999	-	-
9	2	£65,000 - £69,999	-	-
3	2	£70,000 - £74,999	1	1
1	-	£75,000 - £79,999	-	-
-	2	£80,000 - £84,999	-	-
3	3	£85,000 - £89,999	1	-
1	2	£90,000 - £94,999	-	-
3	1	£95,000 - £99,999	-	-
1	1	£100,000 - £104,999	-	-
2	-	£110,000 - £114,999	-	-
-	1	£115,000 - £119,999	-	-
-	2	£120,000 - £124,999	-	1
1	-	£125,000 - £129,999	-	-
-	1	£130,000 - £134,999	-	-
1	1	£140,000 - £144,999	-	-
1	-	£145,000 - £149,999	-	-
1	1	£175,000 - £179,999	-	

"Remuneration" is defined, by regulation, as "all amounts paid to or receivable by an employee and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash."

In addition to the above the Accounts and Audit Regulations 2015 require a detailed disclosure of employees' remuneration for relevant police officers, those holding statutory office and other persons with a responsibility for management of the OPCC.

The officers listed in the following table are also included in the above banding disclosure note.

	Salaries Fees and Allowances £000	Employers Pension Contributions £000	Benefits in kind £000	Total £000
2024/25				
Position held				
Chief Constable - Rachel Kearton	175	60	1	236
Deputy Chief Constable	145	50	1	196
Assistant Chief Constable (from 24.6.24)	143	47	-	190
Temporary ACC (to 23.6.24)				
Temporary Assistant Chief Constable (to 11.7.24)	37	13		50
Temporary Assistant Chief Constable (from 12.12.24 to 13.1.25)	112	38		150
Assistant Chief Officer	126	22	-	148
Police and Crime Commissioner	73	14	-	87
Chief Executive PCC (from 3.3.25)	7	1	-	8
Acting Chief Executive (PCC) (to 2.3.25)	89	17	-	106
Chief Finance Officer (PCC) - 0.6 FTE	56	11	-	67
2023/24				
Position held				
Chief Constable - Rachel Kearton	175	49	-	224
Deputy Chief Constable	141	41	-	182
Temporary Assistant Chief Constable	134	35	-	169
Temporary Assistant Chief Constable	123	37	6	166
Temporary Assistant Chief Constable (11.9.23 to 18.12.23)	86	23	-	109
Assistant Chief Officer	118	22	-	140
Police and Crime Commissioner	73	15	-	88
Chief Executive (PCC) (to 31.3.24)	123	25	-	148
Chief Finance Officer (PCC) - 0.6 FTE (from 13.7.22)	58	12	-	70

During 2024/25 a chief officer from Norfolk Constabulary acted as an Assistant Chief Constable (ACC), Suffolk Constabulary contributed 43.5% towards the cost of this post.

During 2024/25 a Suffolk Officer acted as an Assistant Chief Constable for the ERSOU Collaboration, other participating forces contribute towards the cost of this post.

The Regulations also require disclosure of compensation for loss of employment and other payments to relevant police officers. No amounts were paid to the above officers in respect of these categories.

Exit Packages

The number of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below.

Exit Package Cost Band including Special Payments	Number of Compulsory Redundancies		Total Number of Exit Packages		Total Value of Exit Packages	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£000					£000	£000
0 - 20	1	3	1	3	7	25
20 - 40	3	1	3	1	106	22
40 - 60	2	-	2	-	115	-
60 - 80	1	-	1	-	63	-
80 - 100	-	1	-	1	-	93
	7	5	7	5	291	139

Actual expenditure in the year includes the differences between actual expenses paid and values accrued in 2023/24, including values where employees were projected to be made redundant but were subsequently found employment within the Constabulary.

9. Related Party Transactions

The PCC is required to disclose material transactions with bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC.

During 2024/25 there were no material related party transactions involving officers of the PCC or senior officers of the Constabulary, other than those included under employees remuneration set out in Note 8 of these financial statements. The PCC and other senior officers have been written to requesting details of any related party transactions and there are no disclosures.

Central Government has effective control over the general operations of the PCC, it is responsible for providing the statutory framework within which the PCC operates, provides the majority of its funding and prescribes the terms of many of the transactions that the PCC has with other parties. Income from central government is set out in Note 7 of these financial statements.

Norfolk and Suffolk Constabularies have implemented significant collaborative arrangements, these are fully disclosed in Note 10.

No other material transactions with related parties have been entered into except where disclosed elsewhere in the accounts.

10. Collaborative Arrangements

Local Collaboration

Both Norfolk and Suffolk Constabularies are collaborating extensively across a range of service areas. At the point where collaborative opportunities are identified as able to deliver efficiencies, savings or improved service then the PCC is required to give their approval to collaborate. This is recognised by Norfolk and Suffolk alike.

The Collaboration Panel for Norfolk and Suffolk, as described in the Scheme of Governance and Consent provides an opportunity for the counties' respective PCCs to consider issues of mutual interest and discharge the governance responsibilities of the PCCs. The agreed shared costs of fully collaborated units that arose during the year was as follows:

An element of County Policing was no longer joint from 1 July 2024.

	Business Support £000	Justice Services £000	Protective Services £000	County Policing £000	Total £000
2024/25					
Suffolk PCC	25,300	13,883	19,981	140	59,304
Norfolk PCC	32,861	18,032	25,952	182	77,026
Total shared running costs	**58,161**	**31,915**	**45,933**	**321**	**136,330**
2023/24					
Suffolk PCC	23,917	12,866	18,306	516	55,606
Norfolk PCC	30,939	16,644	23,680	668	71,931
Total shared running costs	**54,856**	**29,510**	**41,987**	**1,184**	**127,537**

Regional Collaboration

Collaboration within the region has been pursued for a number of years. Since April 2023, the six PCCs from the region have met annually as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specifies the formalities of the collaboration arrangements in relation to specific collaborations.

Since October 2015 the six police areas in the Region have been joined by Kent in the 7Force Strategic Collaboration Programme. This has been formalised in a collaboration agreement entered into between the PCCs and Chief Constables of the seven police areas. The agreement is for an indefinite duration.

The net expenditure incurred by each force in relation to ERSOU (Eastern Region Specialist Operation Unit) is as follows:

	Total 2024/25 £000	Total 2023/24 £000
Operating costs	39,214	34,649
Specific Home Office grant	(9,743)	(8,627)
Total deficit for the year	**29,471**	**26,022**
Contributions from forces:		
Bedfordshire	(3,114)	(2,774)
Cambridgeshire	(3,902)	(3,505)
Essex	(4,347)	(3,637)
Hertfordshire	(5,565)	(5,015)
Kent	(4,754)	(4,080)
Norfolk	(4,396)	(3,952)
Suffolk	(3,394)	(3,059)
Deficit for the year	**-**	**-**

7F Commercial Services

The business case to collaborate 7F Commercial Services was agreed at the Eastern Region Summit on 10 July 2018.

Since 2019/20, procurement services across the seven forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk have been collaborated to a single 7Force Procurement function. This is the first full seven force function to go live across the Eastern Region.

As a partnership of seven forces, this will create the second largest contracting body in police procurement nationally. This provides greater economies of scale and better presence and 'buying power' for value for money contracts in the market place.

The 7F Commercial Services vision is to enable the delivery of an effective Police service and provide support for victims of crime in the eastern region by procuring and managing a high quality, value for money supply chain.

The net expenditure incurred by each force is as follows:

	Total 2024/25 £000	Total 2023/24 £000
Operating costs	3,881	4,139
Contributions from forces:		
Bedfordshire	329	353
Cambridgeshire	415	448
Hertfordshire	589	879
Essex	838	639
Kent	887	927
Norfolk	466	504
Suffolk	359	390
	3,881	**4,139**

National Collaboration

National Police Air Service

West Yorkshire Police is currently the lead force for the National Police Air Service (NPAS), although they have now given notice of their intent to step down and a new lead is being sourced. During 2012/13 all owned airframes (including the one owned by the former Suffolk Police Authority) transferred to the ownership of the PCC for West Yorkshire while leased airframes remained in the ownership of the lessor but the lease costs transferred.

The PCCs retained ownership of all freehold airbases, but some leases for airbases were novated to the Commissioner for West Yorkshire.

Police staff engaged in provision of the service were employed by the PCC and police officers were seconded to West Yorkshire Police. Expenditure relating to NPAS incurred by forces will be charged to West Yorkshire and they will charge forces for the service. The Home Office provides a capital grant to cover the capital investment required.

The service is governed by a section 22A collaboration agreement and is under the control of a strategic board made up of Commissioners and Chief Constables from each region. The Board determines the budget and the charging policy and monitors performance.

During the year £0.227m (2023/24 £0.334m) was payable to West Yorkshire PCC in respect of the NPAS service provided. At 31 March 2025, West Yorkshire PCC owed Suffolk PCC £nil (31 March 2024 £0.040m) in respect of the Suffolk airframe.

11. Council Tax

The Suffolk district and borough councils are required to collect the amount of council tax determined by the PCC for policing the county. In 2024/25 the precept, including the estimated 2023/24 collection fund surplus, was paid to the PCC during the year and amounted to £73.8m distributed as shown below. The Code requires that Council Tax income included in the CIES for the year should be prepared on an accruals basis. The cash received from the billing authorities is therefore adjusted for the PCC’s share of the outturn opening and closing balances on the Collection Fund. These adjustments are however then taken to the Collection Fund Adjustment Account and included as a reconciling item in the MiRS to ensure that only the statutory amount is credited to the General Fund.

The figures credited to the CIES are broken down as follows:

2023/24 £000		Received from Billing Authority £000	Outturn surplus/(deficit) on Collection Fund at 31.3.24 £000	31.3.25 £000	Total 2024/25 £000
9,304	Babergh District Council	9,890	(19)	(9)	9,900
23,766	East Suffolk Council	25,225	64	123	25,283
10,277	Ipswich Borough Council	10,860	(43)	(30)	10,874
10,598	Mid Suffolk District Council	11,472	75	18	11,414
15,349	West Suffolk Council	16,304	175	236	16,365
69,294		**73,750**	**252**	**338**	**73,837**

The Code also requires the PCC to account for its share of net council tax arrears and prepayments within the Balance Sheet. This is offset within the Balance Sheet by an associated balance that reflects the difference between the net attributable share of cash received by the billing authorities from council tax debtors / creditors and the amounts paid to the PCC. The amounts owed to / from billing authorities in respect of council tax at the year-end were as follows:

Balance at 31.3.24 £000		Collection Fund Asset/ (Liability) £000	Net Arrears £000	Prepayments £000	Balance at 31.3.25 £000
175	Babergh District Council	9	241	(82)	168
(309)	East Suffolk Council	(123)	449	(687)	(361)
580	Ipswich Borough Council	30	787	(151)	666
44	Mid Suffolk District Council	(18)	220	(105)	97
(13)	West Suffolk Council	(236)	628	(398)	(7)
478		**(338)**	**2,324**	**(1,423)**	**562**

12. External Audit Fees

The Group fees payable in respect of external audit services were as follows:

2023/24 £000		2024/25 £000
	The Group has incurred the following costs in relation to the audit of the Statement of Accounts:	
92	The PCC for Suffolk	100
37	The PCC for Suffolk scale fee variation 2021/22	-
-	The PCC for Suffolk scale fee variation 2022/23	11
45	The Chief Constable of Suffolk	51
31	The Chief Constable of Suffolk scale fee variation 2021/22	-
-	The Chief Constable of Suffolk scale fee variation 2022/23	6
205		**167**

The PCC fees payable in respect of external audit services are identified separately in the above table.

No fees have been payable to the external auditors for non-audit work.

13. Non-Current Assets

Property, Plant and Equipment

Land and buildings £000	Vehicles plant and equipment £000	Assets under construction £000	Surplus assets £000	Total £000		Land and buildings £000	Vehicles plant and equipment £000	Assets under construction £000	Surplus assets £000	Total £000
	Movements in 2023/24						Movements in 2024/25			
					Historic cost or revaluation					
57,426	25,678	183	600	83,888	Balance at 1 April	56,227	27,402	-	600	84,229
(495)	-	(326)	-	(821)	Reclassifications	(724)	-	-	(375)	(1,099)
526	3,714	142	-	4,382	Additions	521	3,943	-	-	4,464
-	(1,991)	-	-	(1,991)	Derecognition - disposals	(286)	(6,131)	-	-	(6,417)
(1,230)	-	-	-	(1,230)	Revaluation gains/(losses)	5,157	-	-	(225)	4,932
56,227	**27,402**	**-**	**600**	**84,229**	**Balance at 31 March**	**60,896**	**25,214**	**-**	**-**	**86,110**
					Depreciation and impairments					
2,497	15,336	-	-	17,833	Balance at 1 April	2,346	16,632	-	-	18,978
-	-	-	-	-	Reclassifications	(36)	-	-	-	(36)
(1,773)	-	-	-	(1,773)	Depreciation written out on revaulation	(977)	-	-	-	(977)
-	(1,732)	-	-	(1,732)	Derecognition - disposals	(286)	(5,981)	-	-	(6,266)
1,622	3,028	-	-	4,649	Depreciation for the year	1,522	3,032	-	-	4,554
2,346	**16,632**	**-**	**-**	**18,978**	**Balance at 31 March**	**2,568**	**13,684**	**-**	**-**	**16,252**
54,930	10,342	183	600	66,055	Opening net book value	53,882	10,770	-	600	65,252
53,882	**10,770**	**-**	**600**	**65,252**	**Closing net book value**	**58,328**	**11,530**	**-**	**-**	**69,858**
					Revaluation movements above are reflected in the CIES as follows:					
				839	Charged/(credited) to the Net Cost of Services					(749)
				(1,382)	Charged/(credited) to Other Comprehensive Income and Expenditure					(5,161)
				(543)						**(5,910)**

Assets under construction are assets that are not yet operationally complete.

Included in land and buildings is land at Bury St Edmunds on which a Police Investigation Centre (PIC) has been built. Although the PCC has legal title to the land, it only owns 70% of the beneficial interest in the land, the remaining 30% is owned by Norfolk PCC, who is co-occupier of the centre. Therefore only 70% of the current value of the land is included in the table above, amounting to £970k. The PCC also paid 50% of the cost of land purchased by Norfolk PCC at Great Yarmouth, the current value of this land in the balance sheet amounts to £315k. In addition, the PCC owns 68.9% of the freehold interest in the Stowmarket Hub, Suffolk County Council owns the remaining share. The PCC's share of the value of the site at the year-end was £1.041m.

The depreciation and amortisation policy is set out in Note 1. Assets have been depreciated on a straight-line basis over their economic useful lives.

Intangible Assets

Software licences and IT systems £000 31 March 2024		Software licences and IT systems £000 31 March 2025
	Historic cost or revaluation	
8,524	Balance at 1 April	9,490
326	Reclassifications	-
641	Additions	428
-	Derecognition - disposals	(2,571)
9,490	**Balance at 31 March**	**7,347**
	Amortisation	
7,260	Balance at 1 April	7,997
737	Amortisation for the year	558
-	Derecognition - disposals	(2,571)
7,997	**Balance at 31 March**	**5,983**
1,264	Opening net book value	1,493
1,493	**Closing net book value**	**1,363**

Valuations

Land and buildings

The freehold and leasehold properties of the PCC's property portfolio are individually valued as part of a rolling 5 year programme. The valuations are carried out by the PCC's professional advisors Newmark. Newmark are property consultants, and the valuations are in accordance with their appraisal and valuation manual. Their valuer is a qualified member of the Royal Institute of Chartered Surveyors (RICS).

In order to calculate buildings depreciation the valuers have provided separate valuations for the land and building elements of each property valuation. The valuers also provide an estimate of the remaining economic useful life of the assets. They are also asked to carry out an annual desktop assessment of the remaining properties on which no formal valuation was carried out in the year, reporting if there is a material movement on asset values in the year.

Plant and machinery which are part of the building or property (for example, central heating systems) have been included in valuations. This is in accordance with appendices to Practice Statements of the RICS appraisal and valuation manual. Moveable plant, machinery, fixtures and fittings, which do not form part of the building, have been excluded from the valuations of land and buildings.

Non specialised operational properties were valued on the basis of existing use value (EUV). Specialised operational properties should also be valued on an EUV basis, or where this could not be assessed because there was no market for the subject asset, they were valued on a depreciated replacement cost basis.

Vehicles, Plant and Equipment and Software Licences

Vehicles, plant and equipment and software licences are valued at depreciated historic cost as a proxy for current value.

The breakdown of the property, plant and equipment current value by valuation basis at the year-end is as follows:

	Other land and buildings £000	Vehicles plant and equipment £000	Total £000
Carried at historical cost	2,765	11,530	14,295
Valued at fair value during year ended:			
31 March 2025	23,128	-	23,128
31 March 2024	29,610	-	29,610
31 March 2023	1,640	-	1,640
31 March 2022	871	-	871
31 March 2021	314	-	314
Balance at 31 March 2025	**58,328**	**11,530**	**69,858**

14. Financing of Capital Expenditure

Capital financing is accounted for on an accruals basis. The sources of capital finance in 2024/25 are set out below.

2023/24 £000		2024/25 £000
34,847	Opening capital financing requirement	33,762
	Capital investment	
641	Intangible fixed assets	428
4,240	Operational assets	4,464
142	Non operational assets	-
-	Right of use assets	1,910
	Sources of finance	
-	Capital receipts applied	(829)
(590)	Government grants and other contributions	(494)
(4,434)	Direct revenue contributions	(3,815)
(1,085)	Minimum Revenue Provision	(1,369)
33,762	**Closing capital financing requirement**	**34,056**
	Explanation of movements in year	
(1,085)	Increase/(decrease) in underlying need to borrow	294
(1,085)	**Increase/(decrease) in capital financing requirement**	**294**

The Minimum Revenue Provision (MRP) is a mechanism to set aside revenue funds for the redemption of debt. The Local Authorities (Capital Finance and Accounting) Regulations 2015 are issued under Section 21 of the Local Government Act 2003 and now allow authorities a variety of options in calculating their MRP. The options chosen were that MRP calculated using Option 2 be used for capital expenditure up to and including 31 March 2008 and Option 3 for all capital expenditure thereafter using the equal instalment method until 2018/19 and the annuity method from 2019/20. Option 3 results in MRP charged over the assets remaining useful life. Accounting for PFIs and Right of Use Leases require that on balance sheet assets are also funded through MRP, the amount charged is equivalent to the capital element of the liability repaid during the year. The total amount charged to MRP in 2024/25 was £1,369k (2023/24 - £1,085k).

15. Private Finance Initiative

On 23 February 2010 Norfolk and Suffolk Police Authorities signed a 30 year PFI contract to construct and operate six Police Investigation Centres (PICs) within the two counties. Three of the PICs are shared, two between Norfolk and Suffolk and one between Norfolk and Cambridgeshire. In addition Norfolk operates a further two sites and Suffolk a further one. The land percentage splits on the Norfolk and Suffolk shared sites and the associated land values are disclosed in Note 13.

Norfolk and Suffolk PCCs are committed to making payments under the contract for the financial years 2010/11 to 2040/41. The actual payment split between the two counties will depend on site allocation and associated service delivery. The first PIC became operational on 28 February 2011 at Aylsham, Norfolk. The remaining PICs became operational in 2011/12.

Under the contract the PCC shares in the benefits and obligations arising from the contractual assets on a pre-determined percentage based on the number of cells assigned to each force. A summary of the sites, their initial contract capital values and the respective PCC interest in each site is shown in the adjacent table:

			Capital Contract	Historic Cost in Suffolk	
Sites and opening dates	**Norfolk Cells**	**Suffolk Cells**	**Value £000**	**31.3.25 £000**	**31.3.24 £000**
Aylsham - 28.2.11	8	-	6,967	-	-
Wymondham - 4.4.11	30	-	11,398	-	-
Kings Lynn - 25.4.11	24	-	10,749	-	-
Ipswich - 6.6.11	-	30	12,012	12,012	12,012
Bury St Edmunds - 4.7.11	8	16	10,621	7,081	7,081
Gt Yarmouth - 7.11.11	15	15	12,680	6,340	6,340
	85	**61**	**64,427**	**25,433**	**25,433**

The PCC makes an agreed payment each year, which can be reduced if the contractor fails to meet availability and performance standards in any one year but which is otherwise fixed, however 31.5% of the charge relating to revenue services is increased annually by inflation (RPIX). Suffolk's share of the estimated payments remaining to be made under the PFI contract at 31 March 2025 (excluding availability / performance deductions) are shown in the adjacent table:

	Revenue Services £000	Capital Payments £000	Interest £000	Total £000
Payable in 2025/26	1,949	357	1,771	4,077
Payable within two to five years	7,211	2,871	6,663	16,745
Payable within six to ten years	10,443	5,018	6,537	21,998
Payable within eleven to fifteen years	10,593	9,271	3,464	23,329
Payable within sixteen to twenty years	2,868	1,437	123	4,428
	33,066	**18,954**	**18,558**	**70,577**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital remains to be reimbursed. The movement in the capital liability on the Suffolk PCC Balance Sheet during the year is per the table opposite.

	2024/25 £000	2023/24 £000
Balance outstanding at the beginning of the year	19,632	20,340
Capital repayments during the year	(678)	(708)
Balance outstanding at year end	**18,954**	**19,632**

The net book value of the assets capitalised as part of the PFI contract is per the adjacent table:

	2024/25 £000	2023/24 £000
Net book value at the beginning of the year	25,218	25,007
Depreciation during the year	(873)	(958)
Revaluations during the year	-	1,169
Net book value at the end of the year	**24,345**	**25,218**

16. Retirement Benefits

Participation in pension schemes

Pension and other benefits are available to all PCC and Constabulary personnel under the requirements of statutory regulations. Four defined benefit pension schemes are operated:

a) The Local Government Pension Scheme (LGPS) for PCC and Constabulary police staff, administered by Suffolk County Council – this is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pension liabilities with investment assets.

   From April 2014 the LGPS changed to a career average defined benefit scheme, so that benefits accrued are worked out using the employee's pay each scheme year rather than the final salary. This applies to all membership which builds up from 1 April 2014, but all pensions in payment or built up before April 2014 are protected. Employee contributions are determined by reference to actual pensionable pay and are tiered between 5.5% and 12.5%.

b) The Police Pension Scheme (PPS) for police officers who joined before April 2006 is now closed and all active members have been transferred to the CARE scheme.

c) The New Police Pension Scheme (NPPS) for police officers who either joined from April 2006 or transferred from the PPS. is now closed and all active members have been transferred to the CARE scheme.

d) The Police Pension 2015 Scheme for police officers, is a Career Average Revalued Earnings (CARE) scheme, for those who either joined from April 2015 or transferred from the PPS or the NPPS. The employee contributions are 12.44%-13.78% of salary and the Normal Pension Age is 60 although there are protections for eligible officers to retire earlier. Contribution rates are dependent on salary.

All police pension schemes are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet pension liabilities. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department. The actuarial valuation has set the employer contribution rate for all three police pension schemes from 1 April 2024 as 35.3% of pensionable pay. A pensions top-up grant from the Home Office is received which funds contributions to a level of 21.3% and in 2024/25 a specific grant of £4.0m was received to part fund the cost of the recent change in contribution rates. The CIES meets the costs of injury awards and the capital value of ill-health benefits.

The PCC is also required to maintain a Police Pension Fund Account. Employer and employee contributions are credited to the account together with the capital value of ill-health retirements and transfer values received. Pensions and other benefits (except injury awards) and transfer values paid are charged to this account. If the account is in deficit at 31 March in any year, the Home Office pays a top-up grant to partially cover it. If there is a surplus on the account, then that has to be paid to the Home Office.

Transactions relating to post-employment benefits

The cost of retirement benefits are recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so the actuarial cost of retirement is reversed out of the General Fund in the MiRS.

The note below contains details of the Group's operation of the Local Government Pension Scheme (administered by Suffolk County Council) and the Police Pension Schemes in providing police staff and police officers with retirement benefits. In addition, the Group has arrangements for the payment of discretionary benefits to certain retired employees outside of the provisions of the schemes.

The following transactions have been made in the CIES and the General Fund via the MiRS during the year:

	Group				PCC	
	LGPS		Police Pension Schemes		LGPS	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Comprehensive Income and Expenditure Statement						
Cost of services						
Current service costs	6,496	6,890	9,530	9,260	110	142
Past service costs	37	8	-	(10)	-	-
Financing and investment income and expenditure						
Net interest expense (including asset ceiling interest)	(62)	(1,484)	52,310	50,660	(71)	(42)
Total post employment benefit charges to the Deficit on the Provision of Service	**6,471**	**5,414**	**61,840**	**59,910**	**39**	**100**
Other post employment benefit charged to the CIES						
Return on plan assets (excluding the amount included in the net interest expense)	(1,237)	(20,271)	-	-	(33)	(497)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(380)	(1,355)	(1,790)	-	(9)	(30)
- Actuarial (gains)/losses arising from changes in financial assumptions	(39,621)	(14,717)	(128,810)	(22,430)	(758)	(226)
- Other (including asset ceiling adjustment)	43,461	68,064	(545)	12,515	2,366	156
	2,223	31,721	(131,145)	(9,915)	1,566	(597)
Total post employment benefit charged to the CIES	**8,694**	**37,135**	**(69,305)**	**49,995**	**1,605**	**(497)**
Movement in Reserves Statement (MIRS):						
Reversal of net charges made to the CIES for post employment benefits in accordance with the Code	**(8,694)**	**(37,135)**	**69,305**	**(49,995)**	**(1,605)**	**497**
Actual amount charged against the General Fund Balance for pensions in the year:						
Employers' contributions charged to the general fund	7,269	6,940	41,375	36,885	105	121
Retirement benefits payable to pensioners	(6,021)	(6,101)	(48,965)	(44,015)	(189)	(448)

Assets and liabilities in relation to retirement benefits

	Group						PCC	
	Local Government Pension Scheme		Police Pension Schemes		Total Pension Schemes		Local Government Pension Scheme	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Present value of liabilities	(189,720)	(218,215)	(1,006,540)	(1,117,220)	(1,196,260)	(1,335,435)	(4,605)	(5,208)
Fair value of plan assets	300,438	281,932	-	-	300,438	281,932	7,024	6,725
Sub total	110,718	63,717	(1,006,540)	(1,117,220)	(895,822)	(1,053,503)	2,419	1,517
Interest on the effect of the asset ceiling	(3,041)	(62)	-	-	(3,041)	(62)	(1)	-
Changes in the effect of the asset ceiling	(108,080)	(62,633)	-	-	(108,080)	(62,633)	(2,418)	(17)
Other movements on the asset	(111,121)	(62,695)	-	-	(111,121)	(62,695)	(2,419)	(17)
Total net assets/(liabilities)	**(403)**	**1,022**	**(1,006,540)**	**(1,117,220)**	**(1,006,943)**	**(1,116,198)**	**(0)**	**1,500**

Reconciliation of present value of the scheme liabilities

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	218,215	214,347	1,117,220	1,104,110	5,208	5,338
Current service cost	6,496	6,890	9,530	9,260	110	142
Interest cost	10,642	10,251	52,310	50,660	249	247
Contributions by scheme participants	2,338	2,208	7,590	7,130	37	47
Remeasurement (gains) and losses:						
- Actuarial (gains)/losses arising from changes in financial assumptions	(39,621)	(14,717)	(128,810)	(22,430)	(758)	(226)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(380)	(1,355)	(1,790)	-	(9)	(30)
- Other	(1,986)	6,684	(545)	12,515	(43)	138
Past service costs	37	8	-	(10)	-	-
Benefits paid	(6,021)	(6,101)	(48,965)	(44,015)	(189)	(448)
Closing Balance at 31 March	**189,720**	**218,215**	**1,006,540**	**1,117,220**	**4,605**	**5,208**

Reconciliation of fair value of scheme assets

	Group				PCC	
	Funded Assets Local Government Pension Scheme		Unfunded Assets Police Pension Schemes		Funded Assets Local Government Pension Scheme	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Opening fair value of scheme assets at 1 April	281,932	246,872	-	-	6,725	6,220
Interest income	13,745	11,797	-	-	321	289
Remeasurement gain/(loss):						
- the return on plan assets, excluding the amount included in the net interest expense	1,237	20,271	-	-	33	497
Other	(62)	(55)	-	-	(8)	(1)
Contributions from employer	7,269	6,940	41,375	36,885	105	121
Contributions from employees into the scheme	2,338	2,208	7,590	7,130	37	47
Benefits paid	(6,021)	(6,101)	(48,965)	(44,015)	(189)	(448)
Closing fair value of scheme assets at 31 March	**300,438**	**281,932**	**-**	**-**	**7,024**	**6,725**

The total net pensions liabilities of £1,007m represent the long run commitments in respect of retirement benefits and results in the balance sheet showing net overall liabilities of £0.931m. However, the financial position of the PCC remains sound as the liabilities will be spread over many years as follows:

- The net asset on the local government scheme will be covered by contributions over the remaining working life of employees, as assessed by the scheme actuary.
- The net costs of police pensions which are the responsibility of the PCC will be covered by provision in the revenue budget and any costs above that level will be funded by the Home Office, under the change which came into effect from April 2006.

Actuarial losses on scheme assets represent the difference between the actual and expected return on assets, actuarial gains on scheme liabilities arise from more favourable financial assumptions. Due to the March 2022 triennial revaluation of the LGPS, there was a swing from the pension fund being in a net liability position to being in a net asset position which has resulted in an asset ceiling adjustment being made. IFRIC 14 states where there is a pension net asset an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions. As the employer has no unconditional right to a refund from the Fund, there is no economic benefit available as a refund therefore the PCC has made a judgement to limit the surplus recognised in the accounts to the present value of reductions in future contributions. This adjustment is shown in the asset and liabilities table above as other movements on the asset.

Suffolk County Council is required to have a funding strategy for elimination of deficits, under regulations effective from 1 April 2005. The strategy allows deficits to be cleared over periods up to 20 years. The Police Pension Schemes have no assets to cover their liabilities, the Group’s share of the assets in the Suffolk LGPS are valued at fair value, principally market value for investments and consist of the categories in the following table.

	Group				PCC			
	Fair Value of Scheme Assets				Fair Value of Scheme Assets			
	31 March 2025		31 March 2024		31 March 2025		31 March 2024	
	£000	%	£000	%	£000	%	£000	%
Cash and cash equivalents	**2,312**	**0.77**	**2,914**	**1.03**	**54**	**0.65**	**70**	**1.03**
Bonds - by sector								
- Corporate	83,565		66,555		1,954		1,588	
Sub total Bonds	**83,565**	**27.81**	**66,555**	**23.61**	**1,954**	**23.35**	**1,588**	**23.61**
Property - by type								
- UK property	20,422		20,468		478		488	
- Overseas property	5,729		-		134		-	
Sub total property	**26,151**	**8.70**	**20,468**	**7.26**	**1,954**	**23.35**	**488**	**7.26**
Private equity - all:	**9,706**	**3.23**	**11,191**	**3.97**	**227**	**2.71**	**267**	**3.97**
Other investment funds:								
- Equities	139,942		130,122		3,272		3,104	
- Bonds	-		10,446		-		249	
- Hedge funds	-		4,646		-		111	
- Infrastructure	29,200		26,251		683		626	
- Other	9,563		9,341		224		223	
Sub total other investment funds	**178,705**	**59.48**	**180,805**	**64.13**	**4,178**	**49.94**	**4,313**	**64.13**
Total Assets	**300,438**	**100**	**281,932**	**100**	**8,366**	**100**	**6,725**	**100**

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Within the Police Schemes, the age profile of the active membership is not rising significantly, which means that the current service cost in future years will not rise significantly as a result of using the projected unit credit method.

The police schemes have been assessed by the Government Actuaries Department and the Suffolk LGPS liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. The actuary has confirmed that for police staff, there is no reason to believe that the age profile is rising significantly. The main assumptions used in their calculations are shown below.

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
Mortality assumptions:				
Longevity at 65 for current pensioners (60 for 2019/20 PPS)				
Men	21.5	21.6	21.9	21.9
Women	24.0	24.0	23.9	23.6
Longevity at 65 for future pensioners (60 for 2019/20 PPS)				
Men	22.2	22.3	23.3	23.6
Women	25.8	25.8	25.2	25.1
Rate of inflation (CPI)	2.75%	2.75%	2.70%	2.60%
Rate of increase in salaries	3.75%	3.75%	3.45%	3.85%
Rate of increase in pensions	2.75%	2.75%	2.70%	2.60%
Rate for discounting scheme liabilities	5.80%	4.85%	5.65%	4.75%
CARE revaluation rate	n/a	n/a	3.95%	3.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all others remain constant. The assumptions of longevity, for example, assume that the life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses 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 following sensitivity analyses did not change from those used in the previous period.

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	Approximate Increase to Employers Liability	Approximate Monetary Amount	Approximate Increase to Employers Liability	Approximate Monetary Amount	Approximate Increase to Employers Liability	Approximate Monetary Amount
	%	£000	%	£000	%	£000
0.5% (PPS), 0.1% (LGPS) decrease in real discount rate	2.0%	3,836	7.0%	73,000	2.0%	72
1 year increase in member life expectancy	4.0%	7,589	2.0%	22,000	4.0%	184
0.5% (PPS), 0.1% (LGPS) increase in the salary increase rate	0.0%	175	7.0%	8,000	0.0%	5
0.5% (PPS), 0.1% (LGPS) increase in the pension increase rate	2.0%	3,768	7.0%	72,000	2.0%	70

Unlawful discrimination

Police Pension Scheme

The protection provided to some members when PPS 2015 was introduced (resulting in members closest to their normal pension age remaining in their legacy scheme) was found to be age discriminatory, further to the case of McCloud / Sargeant.

The practical effects of McCloud / Sargeant are set out below.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) and The Police Pensions (Remediable Service) Regulations 2023 legislate for how the government will remedy the discrimination identified.

As a result, all members were moved to PPS 2015 from 1 April 2022, which ensures equal treatment from that point onwards. Eligible members have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022. When this choice can be made depends on whether or not the member has already retired and if not, when they intend to retire.

In addition, The Public Service Pensions Valuations and Employer Cost Cap Amendment Directions 2021 ensure 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 has led to an increase in the Police Pension Scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgement is 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 body 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 body in the form of a central government top-up grant.

Employment Tribunal claims

Claimants have lodged claims for compensation for the discrimination within three groups; Aarons & Ors, Roderick & Ors and Slade & Ors. The compensation can be broken down in to two elements; injury to feelings and financial loss.

Aarons & Ors

The Government Legal Department (GLD) settled the injury to feelings claims for the claimants represented by Leigh Day on behalf of Chief Officers without seeking any financial contributions, which sets a helpful precedent. Pecuniary loss claims were stayed until the remedy was bought into force (from 1 October 2023), on the basis that the losses could not be calculated before then. As at 31 March 2025, the claims remain stayed, therefore no liability in respect of compensation claims is recognised in these accounts.

Roderick & Ors and Slade & Ors

These claims, represented by Penningtons, have been stayed since 2022 behind the Aarons claims, although it is hoped / anticipated that GLD will settle the injury to feelings claims as they did in Aarons. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Valuations

Scheme liabilities will be measured through the pension valuation process, which determines employer and employee contribution rates. The last LGPS valuation took place in 2022 and the police pension valuation took place in 2020 and was implemented in 2024/25.

Impact on the Group's Cashflow

The objectives of the LGPS scheme, as set out in the funding strategy statement, are to keep employers' contributions at as constant a rate as possible. The county council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. The minimum employer contributions payable over the next year for the PCC for Suffolk Group is 19.4% (19.4% in 2024/25). The last triennial valuation was dated 31 March 2022.

Estimated employer's contributions for 2025/26 amount to £7.057m on the LGPS and £39.616m on the Police schemes.

The weighted average duration of the defined benefit obligation for the LGPS is Group 21.0 years and PCC 16.0 years (Group 21.0 years, PCC 16.0 years, 2023/24) and for the Police schemes is 17.0 years (17.0 years, 2023/24).

17. Short Term Investments

Surplus cash is invested for periods of up to one year in accordance with the approved treasury management policy. At 31 March 2025 temporary lending comprised:

	31 March 2025 £000	31 March 2024 £000
Temporary cash deposits		
Banks	15,106	21,369
Local authorities	10,104	-
Total temporary lending	**25,210**	**21,369**
Represented by:		
Short-term investments	25,210	21,369

The 2024 comparator values were determined to be incorrect, but have been retained as per IAS8. The values should be:

	£'000
Banks	13,305
Local authorities	8,063
Total temporary lending	21,369

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18. Debtors, Prepayments and Deferred Costs

	31 March 2025 £000	31 March 2024 £000
Short term debtors:		
Trade receivables	451	1,046
Prepayments & deferred costs	4,759	4,355
Accrued income	5,668	5,092
Debtors relating to local taxation	2,692	2,361
Other receivable amounts	2,151	2,427
Balance at 31 March	**15,721**	**15,281**

19. Cash and Cash Equivalents

	31 March 2025 £000	31 March 2024 £000
Imprest accounts	50	50
Bank current accounts	386	(1,022)
Instant access deposits with banks	1,789	4,782
Deposits with a maturity date of less than 3 months from acquisition	5,394	4,072
Balance at 31 March	**7,619**	**7,882**

The PCC holds £4.12m in trust under the Proceeds of Crime Act 2002 (2023/24 £4.25m). This money was seized and banked under powers granted by the act and will be paid over to the Government on the conclusion of each successful prosecution. If defendants are found not guilty or no charges are made, the money is returned to the person(s) it was seized from.

As the account is not a resource controlled by the PCC and from which no future economic benefits will flow, it is excluded from the PCC's Balance Sheet.

20. Assets Held for Sale

	Current		Non-current	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	495	-	-	-
Assets classified as held for sale:				
Property, plant and equipment	375	495	-	-
Assets sold	(495)	-	-	-
Balance at 31 March	**375**	**495**	**-**	**-**

21. Creditors

	Group		PCC	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Short term creditors:				
Trade payables	2,817	2,433	2,817	2,433
Accruals & receipts in advance	9,049	12,088	7,926	12,088
Creditors relating to local taxation	2,353	2,109	2,353	2,109
Other payables	4,248	4,126	4,248	2,977
Balance at 31 March	**18,467**	**20,756**	**17,344**	**19,607**

The 2024 comparator values were determined to be incorrect, but have been retained as per IAS8. The PCC values should be:

	£'000
Trade payables	2,433
Accruals & receipts in advance	10,939
Creditors relating to local taxation	2,109
Other payables	4,126
Total Creditors	19,607

22. Reconciliation of Revenue Cashflow

Group 2023/24 £000	PCC 2023/24 £000		Group 2024/25 £000	PCC 2024/25 £000
		Adjustment for non-cash or cash equivalent items within deficit on provision of services:		
6,225	6,225	Depreciation and impairments	4,718	4,718
140	140	Profit and loss on disposal of fixed assets	(144)	(144)
21,499	(21)	Movements on pension liability	19,668	(66)
27,863	6,343		24,242	4,509
3,943	3,967	Increase/(decrease) in revenue creditors	(778)	(752)
975	975	Decrease/(increase) in revenue debtors	(301)	(301)
(8)	(8)	Decrease/(increase) in stocks	(9)	(9)
(274)	(274)	Increase/(decrease) in revenue provisions	235	235
4,636	4,660		(852)	(826)
32,500	**11,003**		**23,390**	**3,683**
		The cash flows for operating activities include:		
2,685	2,685	Interest paid and similar charges	2,165	2,165
(2,259)	(2,259)	Interest received	(2,035)	(2,035)

23. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2024 £000	Financing cash flows £000	Other Non-cash changes £000	31 March 2025 £000
Long-term borrowings	5,564	(406)	(19)	5,139
Short-term borrowings	514	-	12	526
ROU lease liabilities	-	173	(1,361)	(1,188)
On balance sheet PFI liabilities	19,632	(678)	-	18,954
Total liabilities from financing activities	**25,709**	**(911)**	**(1,367)**	**23,430**

24. Contingent Liabilities

MMI Ltd

The insurance company Municipal Mutual Insurance Limited (MMI) ceased trading in 1992 and ceased to write new or renew policies. Potentially claims can still be received as the company continues to settle outstanding liabilities. A scheme of arrangement is in place; however, this arrangement will not meet the full liability of all claims and a current levy of 25% will be chargeable in respect of successful claims on MMI's customers. There are currently no open claims against Suffolk Constabulary. As this point in time, it is not possible to calculate the full amount payable on future MMI claims.

Forensic Service Uncertainty

The validity of evidence provided by forensic testing companies to the police service is currently under investigation. It is reasonable to anticipate that some people may have been convicted of offences based on flawed data and that conviction will have had a significant impact on their personal circumstances. As a result, some kind of litigation is anticipated. At this point in time, it is not possible to assess the number of claims or the financial exposure arising from them.

Civil Claims

When civil claims are made against the Constabulary, where possible an assessment of potential liability is made, and an associated insurance provision is raised in the financial ledgers. Provisions are regularly reviewed and where necessary the provision updated. No provision is made until a claim has been received or if it is probable that a claim will be received and is measurable. There is therefore a general underlying contingent liability where incidents have taken place but where claims have yet to be received. In these circumstances it isn't possible to assess an estimate of economic outflow associated with claims yet to be received or any liability arising from statutory fines associated with these incidents.

Validity of Historic Amendments to Defined Benefit Pension Schemes

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment was subject to appeal, the Court of Appeal heard the arguments on 26 and 27 June 2024 and subsequently dismissed it.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the PCC does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in his financial statements.

25. Provisions

Insurance

The PCC self-insures a number of risks up to a predetermined limit with insurance only being bought externally to cover losses beyond this. This provision is in place to finance any liabilities or losses that are likely to be incurred but uncertain as to the amounts or the dates on which they will arise.

	Balance 1 April 2024 £000	Charge in year £000	Paid in year £000	Balance 31 March 2025 £000
Insurance claims	1,654	766	(642)	1,778
Exit packages	68	283	(157)	193
Other revenue provisions	172	85	(99)	158
ROU asset dismantling costs	-	549	-	549
Total	**1,894**	**1,682**	**(898)**	**2,678**

26. Leases

In 2024/25 the PCC applied IFRS 16 Leases as required by the Code. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

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

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date.
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.19%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded.
- The lease reinstatement cost is included within the right-of-use asset.

This has resulted in the following additions to the balance sheet:

- £1,906k Property, plant and equipment – land and buildings (right-of-use assets)
- £1,187k Non-current creditors (lease liabilities)
- £171k Current creditors (lease liabilities)
- £549k Non-current provisions (lease reinstatement costs)

The newly recognised lease liabilities of £1,357k compare with the operating lease commitments of £454k at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £432k (using the incremental borrowing rate at 1 April 2024), there is a difference of £925k from the newly recognised lease liabilities. The operating lease commitments disclosed in the 2023/24 accounts relate to the minimum non-cancellable lease term, i.e. until the next break clause. However, the lease term under IFRS16 is assessed based on the organisation's intentions, i.e. including a period covered by a break clause if the organisation does not intend to take advantage of that break clause, and therefore the lease liability relating to those agreements will generally be higher. The majority of the difference between the newly recognised lease liabilities and the operating lease commitments disclosed in the prior year is explained by these factors. The newly recognised lease liabilities also exclude amounts for leases of low value items (£110k) and leases accounted for as short term (£34k).

Assets held under service concession arrangements (PFI) also fall within IFRS16 and these have been disclosed separately at Note 15.

PCC as Lessee

This table shows the change in the value of right-of-use assets held under leases by the PCC, all leases relate to land and buildings:

Movements in 2023/24 £000		buildings £000	plant a equipme £0	
	Historic cost or revaluation			
-	Balance at 1st April	-		
-	Opening balance adjustment	1,906		
-	Reclassifications	724		
-	Additions	3		
-	**Balance at 31st March**	**2,634**	**-**	
	Depreciation and amortisation			
-	Balance at 1st April	-		
-	Reclassifications	36		
-	Charge for the year	354		
-	**Balance at 31st March**	**391**	**-**	**391**
-	Opening net book value	1,906	-	1,906
-	**Closing net book value**	**2,243**	**-**	**2,243**

This table shows the change in the value of lease liabilities during the year:

	2024/25 £000	2023/24 £000
Balance outstanding at the beginning of the year	-	-
Opening balance adjustment	(1,358)	-
Remeasurements of lease liabilities	(3)	-
Additions during the year	-	-
Capital repayments during the year	173	-
Balance outstanding at year end	**(1,188)**	**-**

The PCC incurred the following expenses and cash flows in relation to leases:

2023/24 £000		2024/25 £000
	Comprehensive income and expenditure statement	
-	Interest expense on lease liabilities	66
-	Expense relating to short-term leases	58
-	Expense relating to exempt leases of low-value items	110
-	Variable lease payments not included in the measurement of lease liabilities	1
	Cash flow statement	
-	Total cash outflow for leases	408
	Movement in reserves statement	
-	Minimum Revenue Provision (includes dilapidations)	315
-	**Total charge to the General Fund**	**957**

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

2023/24 £000		2024/25 £000
-	Less than one year	157
-	One to five years	299
-	More than five years	3,297
-	**Total undiscounted liabilities**	**3,753**

The PCC has a number of properties and some equipment on short term lease arrangements.

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27. Unusable Reserves

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

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

The Revaluation Reserve shows the net accumulated unrealised gains on non-current assets arising from increases in value, as a result of inflation or other factors. The reserve is debited to reflect: the revaluation element of the depreciation charge, revaluation losses or impairments against previous revaluation gains and when assets with accumulated revaluation gains are disposed of. Any balance remaining in the reserve, relating to an asset that has been disposed of, is removed from the reserve by way of a transfer to the Capital Adjustment Account.

The Capital Adjustment Account accumulates the resources that have been set aside to finance capital expenditure. The consumption of the historical cost by way of depreciation, impairment and disposal is removed from the account throughout the asset's useful life. The balance on this account therefore represents timing differences between financing and consumption of non-current assets.

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provision. The Group accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect benefits earned to be financed as the Group makes employer's contributions to pension funds or eventually pays for any pensions for which it is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements will ensure that the funding will have been set aside by the time the benefits come to be paid.

Movements in unusable reserves are summarised in the Movement in Reserves Statement and are shown in detail below:

Group:

Year Ended 31 March 2025	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Comp' Absences Account £000	**Total Unusable Reserves £000**
Balance at 1 April 2024	**(1,116,196)**	**24,652**	**8,789**	**252**	**40**	**(1,149)**	**(1,083,613)**
Other comprehensive income and expenditure	128,922	5,161	-	-	-	-	**134,083**
Total comprehensive income and expenditure	**128,922**	**5,161**	**-**	**-**	**-**	**-**	**134,083**
Amortisation of intangible assets	-	-	(558)	-	-	-	**(558)**
Depreciation on property, plant and equipment	-	(680)	(4,229)	-	-	-	**(4,909)**
Revaluation gains on property, plant and equipment	-	-	749	-	-	-	**749**
Application of capital grants from unapplied account	-	-	494	-	-	-	**494**
Net gain or loss on the sale of non-current assets	-	-	(645)	-	-	-	**(645)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(40)	-	**(40)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(39,178)	-	-	-	-	-	**(39,178)**
Movement on the Collection Fund Adjustment Account	-	-	-	87	-	-	**87**
Capital expenditure charged to the General Fund Balance	-	-	3,815	-	-	-	**3,815**
Statutory provision for the repayment of debt	-	-	1,369	-	-	-	**1,369**
Contribution to the Police Pension Fund	19,510	-	-	-	-	-	**19,510**
Movement on the Compensated Absences Account	-	-	-	-	-	26	**26**
Use of capital receipts to fund asset purchases	-	-	829	-	-	-	**829**
Adjustments between accounting basis and funding basis under regulations	**(19,668)**	**(680)**	**1,823**	**87**	**(40)**	**26**	**(18,451)**
Increase/(decrease) in year	**109,254**	**4,482**	**1,823**	**87**	**(40)**	**26**	**115,632**
Balance at 31 March 2025	**(1,006,942)**	**29,133**	**10,612**	**339**	**-**	**(1,123)**	**(967,981)**

Year Ended 31 March 2024	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Comp' Absences Account £000	**Total Unusable Reserves £000**
Balance at 1 April 2023	**(1,072,891)**	**23,938**	**8,496**	**864**	**159**	**(1,173)**	**(1,040,608)**
Other comprehensive income and expenditure	(21,806)	1,382	-	-	-	-	**(20,424)**
Total comprehensive income and expenditure	**(21,806)**	**1,382**	**-**	**-**	**-**	**-**	**(20,424)**
Amortisation of intangible assets	-	-	(737)	-	-	-	**(737)**
Depreciation on property, plant and equipment	-	(668)	(3,981)	-	-	-	**(4,649)**
Revaluation losses on property, plant and equipment	-	-	(839)	-	-	-	**(839)**
Application of capital grants from unapplied account	-	-	590	-	-	-	**590**
Net gain or loss on the sale of non-current assets	-	-	(259)	-	-	-	**(259)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(119)	-	**(119)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(40,387)	-	-	-	-	-	**(40,387)**
Movement on the Collection Fund Adjustment Account	-	-	-	(612)	-	-	**(612)**
Capital expenditure charged to the General Fund Balance	-	-	4,434	-	-	-	**4,434**
Statutory provision for the repayment of debt	-	-	1,085	-	-	-	**1,085**
Contribution to the Police Pension Fund	18,888	-	-	-	-	-	**18,888**
Movement on the Compensated Absences Account	-	-	-	-	-	24	**24**
Adjustments between accounting basis and funding basis under regulations	**(21,499)**	**(668)**	**293**	**(612)**	**(119)**	**24**	**(22,581)**
Increase/(decrease) in year	**(43,305)**	**714**	**293**	**(612)**	**(119)**	**24**	**(43,005)**
Balance at 31 March 2024	**(1,116,196)**	**24,652**	**8,789**	**252**	**40**	**(1,149)**	**(1,083,613)**

PCC:

Year Ended 31 March 2025	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Total Unusable Reserves £000
Balance at 1 April 2024	**1,500**	**24,652**	**8,789**	**252**	**40**	**35,231**
Other comprehensive income and expenditure	(1,566)	5,161	-	-	-	**3,595**
Total comprehensive income and expenditure	**(1,566)**	**5,161**	**-**	**-**	**-**	**3,595**
Amortisation of intangible assets	-	-	(558)	-	-	**(558)**
Depreciation on property, plant and equipment	-	(680)	(4,229)	-	-	**(4,909)**
Revaluation gains on property, plant and equipment	-	-	749	-	-	**749**
Application of capital grants from unapplied account	-	-	494	-	-	**494**
Net gain or loss on the sale of non-current assets	-	-	(645)	-	-	**(645)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(40)	**(40)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	66	-	-	-	-	**66**
Movement on the Collection Fund Adjustment Account	-	-	-	87	-	**87**
Capital expenditure charged to the General Fund Balance	-	-	3,815	-	-	**3,815**
Statutory provision for the repayment of debt	-	-	1,369	-	-	**1,369**
Use of capital receipts to fund asset purchases	-	-	829	-	-	**829**
Adjustments between accounting basis and funding basis under regulations	**66**	**(680)**	**1,823**	**87**	**(40)**	**1,256**
Increase/(decrease) in year	**(1,500)**	**4,482**	**1,823**	**87**	**(40)**	**4,852**
Balance at 31 March 2025	**0**	**29,133**	**10,612**	**339**	**-**	**40,083**

Year Ended 31 March 2024	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	**Total Unusable Reserves £000**
Balance at 1 April 2023	**881**	**23,938**	**8,496**	**864**	**159**	**34,338**
Other comprehensive income and expenditure	597	1,382	-	-	-	**1,979**
Total comprehensive income and expenditure	**597**	**1,382**	**-**	**-**	**-**	**1,979**
Amortisation of intangible assets	-	-	(737)	-	-	**(737)**
Depreciation on property, plant and equipment	-	(668)	(3,981)	-	-	**(4,649)**
Revaluation losses on property, plant and equipment	-	-	(839)	-	-	**(839)**
Application of capital grants from unapplied account	-	-	590	-	-	**590**
Net gain or loss on the sale of non-current assets	-	-	(259)	-	-	**(259)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(119)	**(119)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	21	-	-	-	-	**21**
Movement on the Collection Fund Adjustment Account	-	-	-	(612)	-	**(612)**
Capital expenditure charged to the General Fund Balance	-	-	4,434	-	-	**4,434**
Statutory provision for the repayment of debt	-	-	1,085	-	-	**1,085**
Use of capital receipts to fund asset purchases	-	-	-	-	-	**-**
Adjustments between accounting basis and funding basis under regulations	**21**	**(668)**	**293**	**(612)**	**(119)**	**(1,085)**
Increase/(decrease) in year	**618**	**714**	**293**	**(612)**	**(119)**	**894**
Balance at 31 March 2024	**1,500**	**24,652**	**8,789**	**252**	**40**	**35,231**

28. Earmarked Balances within the General Fund

The movements in earmarked balances in 2024/25 are analysed as follows:

	Note	Balance 1 April 2024 £000	Received £000	Applied £000	Balance 31 March 2025 £000
Revenue reserves:					
Budget	**(a)**	11,960	4,560	-	16,520
Change	**(b)**	1,397	-	-	1,397
Capital Financing & Efficiency Investment	**(c)**	7,542	274	-	7,816
Specified Purposes Fund	**(d)**	291	290	(291)	290
Crime & Disorder	**(e)**	558	16	-	574
PCC	**(f)**	781	164	-	944
Safety Camera	**(g)**	522	674	(249)	947
Regional Partnership	**(h)**	105	12	(2)	116
Total		**23,156**	**5,990**	**(541)**	**28,605**
General Reserve		**4,600**	**285**	**-**	**4,885**

(a) Budget Reserve
This reserve is being held as a contingency against future demand led pressures and would also act as a contingency to increases of assessed insurance liabilities in excess of insurance budgets and provisions.

(b) Change Reserve
This reserve is used to fund the cost of change and / or to pump prime invest-to-save activities.

(c) Capital Financing & Efficiency Investment Reserve
This reserve is used to fund the short-life asset element of the Capital Programme when the amount required for investing / refreshing in modernising technologies exceeds budget available for this purpose.

(d) Specified Purposes Fund
This fund relates to funds allocated for specific purposes including partnership funding.

(e) Crime and Disorder Reserve
This reserve is made up from underspends against the PCC’s commissioning budget which have been earmarked to fund future commissioning initiatives.

(f) PCC Reserve

This reserve is made up from previous underspends against the budget for the Office of the Police and Crime Commissioner.

(g) Safety Camera Reserve

This reserve is made up of prior years' underspends against the approved annual budget. The use is reviewed and agreed at the Driver Offender Retraining Governance Board (DORG).

(h) Regional Partnership Reserve

This reserve holds ring-fenced funds in relation to regional activity.

Further detail relating to the use of Earmarked Reserves can be found in the Reserves Strategy (Appendix F in the MTFP)[1]

[1]Reserves strategy (Appendix F in the MTFP)

29. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

	Current				Long Term				Total	
	Investments		Other assets		Investments		Other assets			
	31 March		31 March		31 March		31 March		31 March	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Financial Assets										
Amortised costs	30,604	25,441	8,581	10,243	-	-	-	-	39,185	35,683
Total Financial Assets	**30,604**	**25,441**	**8,581**	**10,243**	**-**	**-**	**-**	**-**	**39,185**	**35,683**
Non financial assets	-	-	9,904	9,499	-	-	-	-	9,904	9,499
Total Assets	**30,604**	**25,441**	**18,485**	**19,742**	**-**	**-**	**-**	**-**	**49,089**	**45,182**

	Current				Long Term				Total	
	Borrowings		Other liabilities		Borrowings		Other liabilities			
	31 March		31 March		31 March		31 March		31 March	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Financial Liabilities										
Amortised costs	526	514	8,683	10,878	5,139	5,564	11	1,116,213	14,358	1,133,169
Total Financial Liabilities	**526**	**514**	**8,683**	**10,878**	**5,139**	**5,564**	**11**	**1,116,213**	**14,358**	**1,133,169**
Non financial liabilities	-	-	12,570	12,450	-	-	1,026,976	18,954	1,039,545	31,403
Total Liabilities	**526**	**514**	**21,252**	**23,328**	**5,139**	**5,564**	**1,026,986**	**1,135,167**	**1,053,903**	**1,164,572**

The 2024 long term other liabilities comparator values were determined to be incorrect, but have been retained as per IAS8. The values should be:

	£'000
Financial Liabilities at Amortise Costs	16
Non Financial Liabilities	1,135,151
Total liabilities	1,135,167

The Police and Crime Commissioner for Suffolk does not hold any other category of financial asset or liability and during the year, there were no instances of:

- De-recognition of financial instruments
- Unusual movements to be disclosed
- Allowance for credit losses

The gains and losses recognised in the CIES are shown in the table below:

2023/24 Surplus or Deficit on the Provision of Services £000		2024/25 Surplus or Deficit on the Provision of Services £000
	Interest revenue:	
(2,053)	Financial assets measured at amortised cost	(2,205)
(2,053)	**Total interest revenue**	**(2,205)**
2,677	**Interest expense**	**2,158**

All financial liabilities and financial assets held by the PCC are classified as loans and receivables and long term debtors and creditors and 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, using the following assumptions.

- For PWLB loans, the cash flows are discounted using the premature repayment rates applicable at the year-end equivalent loans
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount. The fair values of financial instruments that differ from the carrying amount are summarised below:

	31 March 2025		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial liabilities				
PWLB loan	5,664	5,774	6,078	6,340
	5,664	**5,774**	**6,078**	**6,340**

Fair values of short term trade payables and receivables, cash and cash equivalents are assumed to equal the book values and are therefore not included in the table above. These are exempt from IFRS13.

Assets and liabilities are measured at fair value using the IFRS13 Fair Value market approach which uses prices and other relevant information (inputs) generated by market transactions involving similar assets or liabilities. The IFRS on Fair Value includes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three input levels as follows:

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

We have therefore categorised the valuations of all financial assets and liabilities as Level 2 input in the IFRS 13 fair value hierarchy, there has been no movement between the levels within this and the prior financial year.

The PCC'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 PCC
- Liquidity risk – the possibility that the PCC might not have funds available to meet its commitments to make payments
- Refinancing and Maturity risk – the possibility that the PCC might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market risk – the possibility that financial loss might arise for the PCC as a result of changes in such measures as interest rates and stock market movements.

The PCC's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the PCC in the Annual Investment and Treasury Management Strategy[2]. The PCC provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC's customers. This risk is minimised through the Annual Investment and Treasury Management Strategy, which requires that counterparties meet the minimum credit ratings from three major credit rating agencies. In 2024/25, the PCC has a policy not to lend any more than £10m to any individual financial institution, authority or banking group except under exceptional circumstances, when a temporary arrangement is approved. This policy is outlined on page 35.

Recent experience has shown that it is rare for its investment counterparties to be unable to meet their commitments therefore, although a risk of non-recoverability applies to all of the PCC's deposits, there was no evidence at the 31 March 2025 that this was likely to crystallise.

Of the £1,057k outstanding from customers, (£300k) was past its due date for payment at the year-end, this shows as a credit due to a credit note which has not been taken. The past due amount can be analysed by age as follows:

	Amount Past Due 31.3.25	Amount Past Due 31.3.24
Less than three months	66	29
Three to six months	1	4
Six months to one year	(368)	-
More than one year	1	-
	(300)	**33**

Liquidity risk

The PCC has comprehensive cash flow management processes that seek to ensure that cash is available as needed. If unexpected movements happen the PCC has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB). As the PCC is required to provide a balanced budget which ensures sufficient monies are raised to cover annual expenditure, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The PCC has one loan with the PWLB that was taken out for £10m in 2010/11, it is being paid off in half year instalments. The loan is due to mature in 2035/36. All trade and other payables are due to be paid in less than one year.

Refinancing and Maturity risk

The PCC maintains its debt and investment portfolio in line with the Annual Investment and Treasury Management Strategy. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the PCC relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC approved Annual Investment and Treasury Management Strategy addresses the main risks and the treasury

[2] Annual Investment and Treasury Management Strategy

management function addresses the operational risks within the approved parameters.

The PCC’s financial assets held on the balance sheet all mature within one year.

Market risk – Interest risk

The PCC has no significant exposure to market risk from investments. Investments are normally by way of term deposits placed at a fixed rate for a fixed period, therefore there is a risk that the market rate can change, which would lead to an impact on the fair value of the investment. However, investments are mostly placed for periods not exceeding three months, therefore the exposure to market risk is regarded as negligible.

The PCC mitigates its exposure to market risk in regards to interest expense by fixing the interest rate payable for the duration of its loans. The risk is therefore shifted to the risk on the movement of fair value that would arise when prevailing rates differ from contract rate payable. However, borrowings are not carried at fair value, so nominal gains or losses on fixed rate borrowing do not impact on the CIES.

A 1% increase in interest rates would only have a material effect on the fair value of borrowings. It would reduce the value by £258k.

The PCC does not invest in equity shares nor in financial assets or liabilities denominated in foreign currencies and therefore has no exposure to price risk or exchange risk.

30. Going Concern

The Police Reform and Social Responsibility Act 2011 sets out in statute the creation of the Police and Crime Commissioners and the financial responsibility they have. The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as the Office of the Police and Crime Commissioner and the Constabulary cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

PCCs and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospect is that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

Through actions taken to control spending in-year in order to mitigate significant inflationary pressure, the Constabulary and OPCC recorded an outturn underspend of £3.660m.

During 2024/25, The PCC has increased the General Reserve by £0.285m to £4.9m, at 31 March 2025 the PCC has a Budget Reserve of £16.5m that in extremis would be used to manage the financial risks of major incidents.

A high-level scenario planning exercise was completed and compared against our current MTFP assumptions. The budget gap for 2025/26 ranged between reasonable pragmatic case of £0.8m to a worst case of £2.7m given a range of assumptions on government funding, precept decisions, tax base reductions and collection fund deficits. The guidelines to Heads of Department in regard of the Strategic & Financial Planning process (using Outcome Based Budgeting principles) took these scenario plans into account and through this process the Constabulary delivered the required savings in order to reach a balanced budget for 2025/26.

Based on the approved medium Term Financial Plan, general fund balances including earmarked reserves at 31 March 2026 are planned to be £26.6m. This remains well above our minimum level of general fund balance as set by the PCC CFO of £5.2m.

Taking a worst-case funding scenario, and a worst-case assumption that no savings are identified through the Constabulary's budget setting process, general fund balances including earmarked reserves as at 31 March 2026 would reduce to approximately £23.9m. This remains significantly above the minimum general fund balance set by the PCC CFO of £5.2m

Taking into account the availability of usable reserves, the capacity to finance the current gap between external borrowing and the capital financing requirement and the ability to borrow on a short-term basis to prudently fund any temporary shortfall of cash; the PCC is able to demonstrate that he has sufficiently liquid resources until 12 months from the authorisation of the financial statements to meet all liabilities as they fall due.

The PCC's reserves remain sufficiently healthy to absorb funding pressures and remain able to meet its financial obligations as and when they fall due. Therefore, following our review of future finances, it has been concluded that there is no material uncertainty relating to going concern.

31. Events after the Reporting Period

Events after the reporting period have been considered for the period from the year end to the date the accounts were authorised for issue on ……………. 2026. At the time of issue there were no adjusting or non-adjusting subsequent events that required disclosure.

32. Capital Commitments

Significant commitments under capital contracts as at 31 March 2025 are analysed as follows:

31 March 2024 £000		31 March 2025 £000
-	SARC Improvement Scheme	633
86	Vehicles	174
-	Training Equipment	99
67	ICT replacements & equipment refresh	70
78	Other	48
170	Vehicles - Sizewell	-
402	**Total committed**	**1,024**

Police Pension Fund Accounting Statements

Fund Account

2023/24 £000		2024/25 £000
	Contributions receivable	
	Employer	
16,516	Normal	19,737
264	Early retirements	678
11	McCloud Remedy	184
16,790		20,599
	Members	
7,168	Normal	7,539
7,168		7,539
	Transfers in	
19	Individual transfers in from other schemes	211
19		211
	Benefits payable	
(37,513)	Pensions	(40,331)
(5,231)	Commutations and lump sum retirement benefits	(7,077)
-	Lump sum death benefits	(149)
(18)	Other	(144)
(42,761)		(47,702)
(104)	Refunds on contributions	(150)
-	Individual transfers out to other schemes	(7)
(104)		(157)
(18,888)	**Net amount payable for the year before contribution from the Police General Fund**	**(19,510)**
18,888	**Contribution from the Police General Fund**	**19,510**
-	**Net balance receivable for the year**	**-**

No assets are held by the pension fund and no amounts were owed to or from it as at 31 March 2025 (31 March 2024 £nil).

The actuarial valuation has set the employer contribution rate for all three police pension schemes from 1 April 2024 at 35.3% of pensionable pay. A pensions top-up grant from the Home Office is received which funds contributions to a level of 21.3% and in 2024/25 a specific grant of £3.972m was received to part fund the cost of the recent change in contribution rates. The Constabulary funds the resulting balance.

Glossary of terms

For the purposes of the statement of accounts the following definitions have been adopted:

Accruals basis

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

Actual return on plan assets

The difference between the fair value of plan assets at the end of the period and the fair value at the beginning of the period, adjusted for contributions and payments of benefits.

Actuarial gains and losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

a) Events have not coincided with the actuarial assumptions made for the last valuations (experience gains and losses) or
b) The actuarial assumptions have changed

Capital expenditure
Expenditure on the acquisition of a non-current asset; or expenditure which adds to – rather than merely maintains – the value of an existing non-current asset.

Capital Receipt
Income derived from the sale or disposal of a non-current asset.

CIPFA
The Chartered Institute of Public Finance and Accountancy.

Contingent liability
A contingent liability is either:

a) A possible obligation arising from past events; it may be confirmed only if particular events happen in the future that are not wholly within the Constabulary's control; or
b) A present obligation arising from past events, where economic transactions are unlikely to be involved or the amount of the obligation cannot be measured with sufficient reliability.

Current Service Costs
The increase in pension liabilities as a result of years of service earned this year.

Defined benefit scheme
A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation
The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

Government grants
Part of the cost of service is paid for by central government from its own tax income. Specific grants are paid by the Home Office to the Group towards both revenue and capital expenditure.

Group
The term Group refers to the Police and Crime Commissioner (PCC) for Suffolk and the Chief Constable (CC) for Suffolk.

Impairment
A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Intangible non-current assets
Intangible assets are non-financial non-current assets that do not have physical substance, but are identifiable and are controlled by the PCC through custody or legal rights.

MLCLG
Ministry of Housing, Communities and Local Government.

Net book value
The amount at which non-current assets are included in the balance sheet, meaning their historical cost or current value less the cumulative amounts allowed for depreciation.

Net realisable value
The open-market value of the asset in its existing use (or open-market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-current assets
Tangible and intangible assets that yield benefits to the PCC and the services it provides for more than one year.

Outturn
The actual amount spent in the financial year.

Operational assets
Non-current assets held and occupied, used or consumed by the PCC in the direct delivery of services for which it has a statutory or discretionary responsibility.

Past Service Costs
The increase in pension liabilities as a result of a scheme amendment or curtailment whose effect relates to year of service earned in earlier years.

PCC
References to PCC within these Financial Statements relate to the entity of the Police and Crime Commissioner for Suffolk unless otherwise stated.

Pension Strain
Occurs when there is a clear shortfall in the assumed level of funding needed to provide a particular pension benefit, often occurring when a member draws their benefits earlier than expected i.e. due to redundancy.

Projected Unit Credit Method
An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit credit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

Precept
The proportion of the budget raised from council tax.

Provision
Amount set aside to provide for a liability which is likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

PWLB
The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies and to collect the repayments.

Related parties
Two or more parties are related parties when at any time during the financial period:

a) One party has direct or indirect control of the other party; or
b) The parties are subject to common control from the same source; or
c) One party has influence over the financial and operational policies of the other party so that the other party might not always feel free to pursue its own separate interests; or
d) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Retirement Benefits
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme Liabilities
The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Settlement
An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits:
b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits: and
c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Useful life
The period over which the PCC will derive benefits from the use of a non-current asset.

Vested Rights
In relation to a defined benefit scheme, these are:

a) for active members, benefits which they would unconditionally be entitled to on leaving the scheme;
b) for deferred pensioners, their preserved benefits;
c) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants.

THE CHIEF CONSTABLE OF SUFFOLK CONSTABULARY

STATEMENT OF ACCOUNTS

for the year ended 31 March 2025

Statement of Accounts for the year ended 31 March 2025

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INDEPENDENT AUDITOR’S REPORT TO THE CHIEF CONSTABLE OF SUFFOLK

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Statement of Responsibilities for the Statement of Accounts

The Chief Constable of Suffolk Constabulary's Responsibilities

The Chief Constable of Suffolk must:

- Arrange for the proper administration of the Chief Constable's financial affairs and ensure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer to the Chief Constable.
- Manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.
- Ensure that there is an adequate Annual Governance Statement.

Approval of Statement of Accounts

I approve the following Statement of Accounts

Rachel Kearton

Chief Constable of Suffolk Constabulary

The Chief Finance Officer to the Chief Constable's Responsibilities

The CFO to the Chief Constable is responsible for preparing the Statement of Accounts for the Chief Constable of Suffolk Constabulary in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards ("the Code").

In preparing this statement of accounts, the CFO to the Chief Constable has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code and its application to local authority accounting.

The CFO to the Chief Constable has also:

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

I certify that this statement of accounts has been prepared in accordance with proper accounting practice and presents a true and fair view of the financial position of the Chief Constable of Suffolk Constabulary at 31 March 2025, and its income and expenditure for the year to that date.

Kenneth Kilpatrick

Chief Finance Officer to the Chief Constable

NARRATIVE REPORT

This narrative report provides the following information about the Chief Constable of Suffolk Constabulary:

1. Policing context

The Chief Constable of Suffolk

Under the *Police Reform and Social Responsibility Act 2011* the Police and Crime Commissioner for Suffolk (PCC) and the Chief Constable of Suffolk Constabulary were established as separate legal entities. The responsibilities of the Chief Constable include:

- **Overall responsibility** for leading Suffolk Constabulary, creating a vision and setting direction and culture that builds public and organisational confidence and trust, and enables the delivery of a professional, effective and efficient policing service.
- **Direct accountability** for the operational delivery of policing services and the effective command and leadership of the policing response to crime, and major and critical incidents.
- **Fulfilling all statutory and legal obligations** of the office of Chief Constable and complying with the PCC's Scheme of Governance and Consent that determine the Constabulary's governance arrangements.

For accounting purposes, the PCC for Suffolk is the parent entity of the Chief Constable of Suffolk ('the Constabulary') and together they form the Suffolk PCC Group ('the Group').

Accountability and Performance Panel

The Accountability and Performance Panel is a public meeting chaired by the PCC. Its purpose is to hold the Chief Constable to account and to enable issues to be discussed and where appropriate make decisions. This includes holding the Chief Constable to account for the management of the funds provided for the purpose of policing and the delivery of the strategy and objectives set out in the Police and Crime Plan.

Audit Committee

The purpose of the Audit Committee is to provide independent advice and recommendations to the PCC and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place.

The County of Suffolk

Suffolk is a rural county of eastern England with a land area of approximately 1,466 square miles. Located 60 miles northeast of London, it is bordered by Norfolk to the north, Cambridgeshire to the west and Essex to the south. With 50 miles of coastline the North Sea marks the eastern border of the county (see **Figure 1**).

Figure 1 – Map of the County of Suffolk

Note: Principal police stations are marked in blue

Ipswich is the largest town and is the major economic, social, and cultural hub of the county. Lowestoft, Bury St Edmunds, Newmarket, and Felixstowe also present specific policing needs related to the nature of their industries; such as tourism in Lowestoft, horse racing in Newmarket and Britain's largest and busiest container port in Felixstowe.

Suffolk Constabulary polices an estimated population of 760,668 residents which grew by approximately 4.5% between the 2011 and 2021 censuses. The population is expected to rise further over the next four years to almost 790,000, with an increasing ageing population. In 2023 persons aged 65 and older were estimated to account for 24.8% of the population, compared to a projection of 31% for 2043. The proportion of minority ethnic communities in Suffolk has also risen, from 3% in 2001 to nearly 7% in 2021, with the greatest proportion in Ipswich (sources: Office for National Statistics and Suffolk Observatory population estimates). The Constabulary continues to respond to the changing nature of Suffolk's population by ensuring policies take account of equality and diversity.

Suffolk contains several sites of policing significance including: the Port of Felixstowe, British Telecom Research and Development facility, two US Air Force bases and Sizewell B nuclear power station. Construction of a new nuclear power station at Sizewell C will bring additional policing demands, for which plans have been developed. In 2021 Freeport East was approved, which is generating future business opportunities for the county.

Tourism plays a key role in Suffolk's economy and is estimated to be worth over £2 billion and provides over 40,000 jobs.

Collaboration and partnership working

The *Police Reform and Social Responsibility Act 2011* places duties on chief officers and policing bodies to keep collaboration activities under review and to collaborate where it is in the interests of the efficiency and effectiveness of their own and other police force areas.

Suffolk Constabulary's primary partner for collaboration is Norfolk Constabulary. A joint strategy exists which outlines the collaborative vision for Suffolk and Norfolk and provides a strategic framework within which collaborative opportunities are progressed.

The two police forces have an extensive collaboration, with the programme of collaborative work delivering joint units and departments in areas such as major investigation, protective services, custody, and back-office support functions.

Areas of collaboration outside of Suffolk / Norfolk include the Eastern Region Special Operations Unit (ERSOU), a specialist unit with a remit for tackling serious and organised crime in the Eastern Region. ERSOU comprises resources from Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk, and Suffolk police forces.

The same seven forces and their OPCCs form the Eastern Region Innovation Network (ERIN), which shares and replicates best practice and innovation across the eastern region and nationally.

Suffolk is also part of a seven-force commercial services function established in January 2020 and a ten-force consortium for insurance known as the Southeast and Eastern Regional Police Insurance Consortium (SEERPIC).

Partnerships

The PCC and Constabulary engage in many partnership arrangements at several levels from strategic boards, such as the Health and Wellbeing Board, to operational working groups. These are aimed at ensuring the PCC and Constabulary fulfil their statutory responsibilities for partnership working as well as ensuring they continue to be effective and efficient by collaborating with partners and key stakeholders in providing continued high-quality service delivery.

2. Governance

The International Accounting Standards Board's framework states that assets, liabilities, and reserves should be recognised when it is probable that any future economic benefits or obligations associated with the item will flow to or from the entity. When the OPCC was established, the PCC took responsibility for the finances of the Group and controls the assets, liabilities and reserves that were transferred from the former Police Authority. Except for the liabilities for employment and post-employment benefits this position has not changed and these balances are shown on the PCC's balance sheet.

The Scheme of Governance and Consent sets out the roles and responsibilities of the PCC and Chief Constable and includes the Financial Regulations and Contract Standing Orders. All contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the PCC accounts and consolidated in the Group financial statements.

The PCC receives all income and makes all payments from the Police Fund for the Group and has responsibility for entering into contracts and establishing the contractual framework under which the Constabulary's police officers and police staff operate. The PCC does not permit carry forward of balances by the Chief Constable, or the Constabulary to hold cash-backed reserves.

The Chief Constable has a statutory responsibility for delivering an efficient and effective police force within an annual budget, which is determined by the PCC. The Chief Constable has a statutory responsibility for maintaining the King's peace and to do this has direction and control over the Constabulary's police officers, police community support officers and police staff. It is recognised that in exercising day-to-day direction and control the Chief Constable will undertake activities, incur expenditure and generate income to allow the Constabulary to operate effectively. A distinction is made between the financial impact of this day-to-day direction and control of the Constabulary and the overarching strategic control exercised by the PCC.

The expenditure and income associated with day-to-day direction and control and the PCC's funding to support the Chief Constable is shown in the Chief Constable's accounts, with the main sources of funding from central government grants and the council tax and most balances shown in the PCC's accounts.

The Chief Constable's Comprehensive Income and Expenditure Statement recognises transactions in respect of police officer and police staff costs and associated operational incomes. The Chief Constable's balance sheet shows employment and post-employment benefits in accordance with IAS 19 *Employee Benefits*.

3. Risks

The Chief Constable maintains a strategic risk register which is reviewed regularly. Risk management policies and procedures are in place to ensure that the risks facing the Chief Constable in achieving objectives are identified, evaluated, and reported.

A joint Suffolk and Norfolk Constabularies' risk management policy includes details of the risk management framework for Suffolk Constabulary. The policy supports a risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with by mitigation and / or escalation to the appropriate level within the Constabulary.

All legal requirements for insurance were met and policies were reviewed as necessary as part of the SEERPIC insurance consortium arrangements.

4. Non-financial performance 2024/25

Non-financial performance

The Constabulary prioritises services to vulnerable and at-risk victims, and perpetrators who cause the highest harm. It continues robust operational responses to the threat of 'county lines' organised crime groups, modern slavery, and sexual crimes against adults and children. Collaborations with Norfolk Constabulary, ERSOU, ERIN and other Suffolk agencies and voluntary organisations, and investments in modern technologies such as automated number plate recognition, mobile computing devices and body worn video cameras are critical parts of these responses.

The Constabulary continues to prioritise community issues through investment in its neighbourhood teams and Contact and Control Room change programme. The Futures Hub innovation and improvement programme continues to develop evidence-based initiatives to reduce demand and improve efficiency, enabling officers to spend more time engaging with communities and responding to local needs.

The Police and Crime Plan for Suffolk 2022-2025 sets out the following objectives:

Objective 1	An efficient and effective police force for Suffolk.
Objective 2	Provide services which support victims of crime and invest in initiatives which reduce crime and disorder.
Objective 3	Engage with communities to understand their views about policing and crime and keep them updated about the work of the PCC and the Constabulary
Objective 4	Work in partnership to improve criminal justice outcomes and enhance community safety.

In the 12 months to the end of March 2025 there were 44,431 recorded crimes, 10% lower than the long-term average of 49,540. **Table 1** shows the year-end position for selected Police and Crime Plan indicators and compares them with previous years' performance.

Table 1: Performance against Police and Crime Plan indicators

Area	Indicator	2021/22	2022/23	2023/24	2024/25
Domestic Abuse	Number of crimes	9,325	9,156	7,591	7,461
	Solved rate	12%	12%	13%	12%
Serious Sexual Offences	Number of crimes	2,262	2,285	1,995	1,939
	Solved rate	5%	6%	5%	8%
Child Sexual Abuse	Number of crimes	1,296	1,308	939	813
	Solved rate	9%	11%	11%	15%
Business Crime	Number of crimes	5,399	6,274	6,447	5,707
	Solved rate	22%	24%	25%	26%
Hate Crime	Number of crimes	1,092	995	846	819
	Solved rate	13%	14%	19%	18%
Online Crime	Number of crimes	2,152	2,444	1,911	1,604
	Solved rate	11%	10%	12%	12%

Neighbourhood Crime	Number of crimes	8,194	8,137	7,488	7,290
	Solved rate	10%	10%	9%	10%
Violence with Injury	Number of crimes	5,763	6,431	6,175	5,882
	Solved rate	14%	15%	16%	16%
Call Handling	999 calls answered in 10 seconds	85%	77%	85%	91%
Emergency Response	Emergencies responded to in target time	88%	88%	87%	87%
Road Safety	Number killed or seriously injured	273	254	267	310

Table 1 shows that there were decreasing volumes of crime in 2024/25 for the key crime categories including domestic abuse, serious sexual offences, child sexual abuse, online crime and neighbourhood crime

Performance regarding call handling had improved during 2024/25. The increase in 999 call volumes is being seen nationally and is being addressed locally in Suffolk through targeted multi-year precept investment that has seen growth in the switchboard function and continued growth in the number of call handlers being recruited. Investment has also been made in digital desk capabilities, to ensure service standards are maintained however the public contact the Constabulary.

The Constabulary continues to robustly enforce against road users that speed, fail to wear seatbelts, use mobile phones whilst driving, and drive under the influence of drink and drugs. Often referred to as the 'fatal four', these offences impact upon the number of people killed and seriously injured in road traffic collisions.

5. Financial performance 2024/25

The gross cost of policing services in 2024/25 was £162.676m, this compares to £152.667m in 2023/24, the increase in expenditure primarily relates to an increase in employee costs. The cost of policing services was offset by income of £18.091m (2023/24: £11.458m) generated from fees, charges and other service income and government grants and contributions. Further information showing the cost of policing services by type of expenditure is provided in Note 5 to the accounts.

Net pensions interest cost, which represents an interest charge on the future pensions' liability was £52.319m (2023/24: £49.218m). The net defined pension liability decreased by £110.755m (2023/24: increase £43.923m) due to actuarial gains from changes to the financial assumptions used to calculate the pension liability.

More information on the Constabulary's defined benefit pension schemes is provided in Note 13 to the accounts.

Annual Governance Statement

The Chief Constable is responsible for conducting a review of the effectiveness of the governance framework, including the system of internal control and management of risk.

This is presented in the Annual Governance Statement 2024/25 that accompanies the Chief Constable's Statement of Accounts. A copy is available on the Constabulary's website at www.suffolk.police.uk.

6. Outlook

Chief Constable's Delivery Plan 2023-28

The Chief Constable's Delivery Plan 2023-28 was launched in May 2023 and sets out the Constabulary's vision, mission, values and priorities for 2023/24 to 2027/28 as follows:

Vision	Making Suffolk a safe place to live, work, travel and invest
Mission	Keeping Suffolk safe
Values	Courageous, professional, community and compassionate

The Chief Constable's priorities are provided below.

People	• Attract and develop well • Healthy, fit and supported • Innovate and improve
Fairness	• Promote inclusion and diversity • Communicate and engage well • Build trust and confidence
Safety	• Keep people safe • Protect people from serious harm • Prevent crime in partnership
Justice	• Victims first • High quality investigations • Effective offender management

The plan is consistent with the PCC's Police and Crime Plan 2022-2025 and the force management statement, which shows forecast changes in demand over the next four years and any gaps that exist regarding capacity or capability.

Medium Term Financial Plan 2025/26 to 2028/29

Revenue Funding 2025/26

The PCC has published a medium-term financial plan for 2025/26 to 2028/29. A copy is available from the PCC's website.

Funding for policing services has increased from £162.985 in 2024/25 to £172.395m in 2025/26. PCCs have been given the flexibility to increase the precept by £14 in 2025/26 without holding a referendum. Mr Passmore raised the precept by £14 to deliver a balanced budget in 2025/26.

Monitoring delivery of improvements in performance from the additional policing resources provided through the increased budget will be through meetings of the Accountability and Performance Panel chaired by the PCC.

Capital Programme 2025/26

The capital programme over the medium-term is driven by the continuing pace of modernisation and ensuring the Constabulary is fit-for-purpose, properly equipped and has an appropriate estate footprint. This includes significant investment in the estate and in refreshing the growing ICT and digital capabilities to drive more efficient and more effective ways of working. The Constabulary's capital expenditure programme for 2024/25 is shown in **Table 2**.

Table 2: Capital programme 2025/26

	2025/26 **£000**
Estates	4,673
ICT schemes and projects	9,144
Vehicles and equipment	1,784
Total	**15,601**

Future Efficiency and Savings Plans

As a result of service pressures, the Constabulary is required to achieve savings of £3.594m in 2025/26 and a further £4.619m across the remaining 3 years of the MTFP period. The PCC and Chief Constable are jointly committed to providing the best possible policing service across Suffolk whilst at the same time increasing efficiency and reducing costs.

Inflationary Pressures

Whilst inflation is falling, its impact has been felt in 2024/25 through increased prices and higher than budgeted pay awards. Estimates for non-pay inflation for 2025/26 are higher than the Constabulary's forecast in the 2024/25 medium term financial plan and the associated cost increase is unfunded by government.

There is continued pressure for higher pay settlements in 2025/26. The pay award assumption has been increased from 2% to 3.5% for 2025/26 given the 4.75% increase for officers and staff in 2024/25 and continued cost of living increases.

Full-year expenditure forecasts are prepared monthly and will monitor the impact of inflation during the financial year. The impact of inflation will be mitigated through a combination of measures. These include the reallocation of underspends during the financial year, reprioritisation of planned activities during 2025/26 and the reallocation of budgets where appropriate or the use of reserves. Inflation assumptions will be reconsidered when setting the budget for 2026/27.

7. Basis of preparation

Going Concern

These accounts are prepared on a going concern basis, which assumes that the Chief Constable of Suffolk and the Constabulary will continue in operation for the foreseeable future in accordance with the Accounts and Audit Regulations 2015 and the CIPFA Code of Practice on Local Authority Accounting 2024/25. Further information is provided in Note 17 of the financial statements.

Explanation of financial statements

The Statement of Accounts 2024/25 for the Chief Constable of Suffolk are set out on the following pages. The purpose of individual primary statements is explained below:

- **Comprehensive Income and Expenditure Statement** records all the Chief Constable's income and expenditure for the year. This is in line with CIPFA guidance and aligned to in-year internal reporting of income and expenditure.
- **Balance Sheet** is a statement of the financial position at 31 March, showing the assets, liabilities and reserves at that date.
- **Movement in Reserves Statement** shows the movement in the year on the different reserves held by the Chief Constable. The statement shows the adjustments required between accounting on a funding basis and a reporting basis.
- **Cash Flow Statement** shows the reason for changes in cash balances during the year and sets out whether the change is due to operating activities, new investment, or financing activities.

The accounting policies are disclosed in Note 1 of the financial statements.

Kenneth Kilpatrick
Chief Finance Officer to the Chief Constable

Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

Gross Expenditure 2023/24 £000	Income 2023/24 £000	Net Expenditure 2023/24 £000		Note	Gross Expenditure 2024/25 £000	Income 2024/25 £000	Net Expenditure 2024/25 £000
			Division of Service:				
152,667	(11,458)	141,208	Constabulary		162,676	(18,091)	144,584
152,667	**(11,458)**	**141,208**	**Net Cost of Police Services before group funding**		**162,676**	**(18,091)**	**144,584**
-	(168,930)	(168,930)	Intra-group funding	**4**	-	(177,196)	(177,196)
152,667	**(180,388)**	**(27,722)**	**Net Cost of Police Services**		**162,676**	**(195,288)**	**(32,612)**
			Financing and Investment Income and Expenditure:				
49,218	**-**	49,218	Net pensions interest cost	**13**	52,319	**-**	52,319
49,218	**-**	**49,218**	**Total Financing and Investment Income and Expenditure**		**52,319**	**-**	**52,319**
		21,496	**Deficit on the Provision of Services**				**19,707**
			Other Comprehensive Income and Expenditure:				
		22,403	Remeasurements of the net defined benefit liability	**13**			(130,488)
		22,403	**Total Other Comprehensive Income and Expenditure**				**(130,488)**
		43,899	**Total Comprehensive (Income) and Expenditure**				**(110,781)**

Balance Sheet as at 31 March 2025

31 March 2024 £000		Notes	31 March 2025 £000
(1,149)	Short-term creditors and accruals	**14**	(1,123)
(1,149)	**Current liabilities**		(1,123)
(1,117,697)	Pensions liability	**13**	(1,006,942)
(1,117,697)	**Long-term liabilities**		(1,006,942)
(1,118,846)	**Total liabilities**		**(1,008,064)**
(1,118,846)	**Net liabilities**		**(1,008,064)**
(1,118,846)	Unusable reserves	**(i)**	(1,008,064)
(1,118,846)	**Total reserves**		**(1,008,064)**

(i) Details in Movement in Reserves Statement

These statements replace the unaudited financial statements issued on 30 June 2025.

Kenneth Kilpatrick

Chief Finance Officer to the Chief Constable

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Movement in Reserves Statement for the year ended 31 March 2025

	Note	General Fund Balance £000	**Total Usable Reserves £000**	Pension Reserves £000	Comp' Absences Account £000	**Total Unusable Reserves £000**	**Total Reserves £000**
Balance at 1 April 2024		-	-	**(1,117,697)**	**(1,149)**	**(1,118,846)**	**(1,118,846)**
Movement in Reserves during 2024/25							
Deficit on provision of services	**(ii)**	(19,707)	**(19,707)**	-	-	-	**(19,707)**
Other comprehensive income and expenditure	**(ii)**	-	-	130,488	-	**130,488**	**130,488**
Total comprehensive income and expenditure		**(19,707)**	**(19,707)**	**130,488**	-	**130,488**	**110,781**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		39,243	**39,243**	(39,243)	-	**(39,243)**	-
Contribution to the Police Pension Fund		(19,510)	**(19,510)**	19,510	-	**19,510**	-
Increase/(decrease) on the Compensated Absences Account		(26)	**(26)**	-	26	**26**	-
Adjustments between accounting basis and funding basis under regulations		**19,707**	**19,707**	**(19,733)**	**26**	**(19,707)**	-
Increase/(decrease) in year		-	-	**110,755**	**26**	**110,781**	**110,781**
Balance at 31 March 2025		-	-	**(1,006,942)**	**(1,123)**	**(1,008,064)**	**(1,008,064)**
Balance at 1 April 2023		-	-	**(1,073,775)**	**(1,173)**	**(1,074,947)**	**(1,074,947)**
Movement in Reserves during 2023/24							
Deficit on provision of services	**(ii)**	(21,496)	**(21,496)**	-	-	-	**(21,496)**
Other comprehensive income and expenditure	**(ii)**	-	-	(22,403)	-	**(22,403)**	**(22,403)**
Total comprehensive income and expenditure		**(21,496)**	**(21,496)**	**(22,403)**	-	**(22,403)**	**(43,899)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		40,408	**40,408**	(40,408)	-	**(40,408)**	-
Contribution to the Police Pension Fund		(18,888)	**(18,888)**	18,888	-	**18,888**	-
Increase/(decrease) on the Compensated Absences Account		(24)	**(24)**	-	24	**24**	-
Adjustments between accounting basis and funding basis under regulations		**21,496**	**21,496**	**(21,520)**	**24**	**(21,496)**	-
Increase/(decrease) in year		-	-	**(43,923)**	**24**	**(43,898)**	**(43,898)**
Balance at 31 March 2024		-	-	**(1,117,697)**	**(1,149)**	**(1,118,846)**	**(1,118,846)**

(ii) Details in Comprehensive Income and Expenditure Statement

Cash Flow Statement for the year ended 31 March 2025

2023/24 £000		Note	2024/25 £000
(21,496)	**Deficit on the Provision of Services**	**(iii)**	**(19,707)**
	Adjustment for non-cash or cash equivalent movements		
21,520	Movements on pension liability		19,733
(24)	Increase/(decrease) in creditors		(26)
21,496	**Net adjustment for non-cash or cash equivalent movements**		**19,707**
-	**Net increase or (decrease) in cash and cash equivalents**		**-**
-	Cash and cash equivalents at the beginning of the period		-
-	**Cash and cash equivalents at the end of the period**		**-**

(iii) Details in Comprehensive Income and Expenditure Statement

Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the Financial Statements; however, it is positioned here as it provides a link from the figures reported in the Narrative Report to the CIES.

Net Expenditure Chargeable to the General Fund Balances 2023/24 £000	Adjustments between Funding and Accounting Basis 2023/24 £000	Net Expenditure in the CIES 2023/24 £000		Net Expenditure Chargeable to the General Fund Balances 2024/25 £000	Adjustments between Funding and Accounting Basis 2024/25 £000	Net Expenditure in the CIES 2024/25 £000
			Year Ended 31 March			
150,042	(8,834)	141,208	Constabulary	157,686	(13,102)	144,584
(168,930)	-	(168,930)	Intra-group funding	(177,196)	-	(177,196)
(18,888)	**(8,834)**	**(27,722)**	**Net Cost of Police Services**	**(19,510)**	**(13,102)**	**(32,612)**
18,888	30,330	49,218	Other income and expenditure	19,510	32,809	52,319
-	**21,496**	**21,496**	**Deficit on the Provision of Services**	**-**	**19,707**	**19,707**
-			Opening General Fund balance at 1 April	-		
-			**Closing General Fund Balance at 31 March**	**-**		

Notes to the Financial Statements

Contents

1. Accounting Policies

General principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Cost recognition and intra-group adjustment

Refer to Note 4 for further details.

Recognition of working capital

The Scheme of Governance and Consent sets out the roles and responsibilities of the Police and Crime Commissioner and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not in the financial period in which cash payments are paid or received.

Debtors and creditors

Revenue and capital transactions are included in the accounts on an accruals basis. Where goods and services are ordered and delivered by the year-end, the actual or estimated value of the order is accrued. With the exception of purchasing system generated accruals, a de-minimis level of £1,000 is set for year-end accruals of purchase invoices, except where they relate to grant funded items, where no de-minimis is used. Other classes of accrual are reviewed to identify their magnitude. Where the inclusion or omission of an accrual would not have a material impact on the Statement of Accounts, either individually or cumulatively, it is omitted.

Employee benefits

<u>Benefits payable during employment</u>

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end. The accrual is made at the most recent wage and salary rates applicable.

<u>Termination benefits</u>

Termination benefits are amounts payable as a result of a decision by the entity to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity 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 entity to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

<u>Post-employment benefits</u>

Officers have the option of joining the Police Pension Scheme 2015. Civilian employees have the option of joining the Local Government Pension Scheme (LGPS), administered by Suffolk County Council. All of the schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Constabulary, all of the schemes are accounted for as defined benefit schemes. There are also two legacy Police Pension Schemes

(PPS 1987 and NPPS 2006) which are closed to new entrants but still pay benefits to existing retired and deferred members.

The liabilities attributable to the Chief Constable of all four schemes are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits (including injury benefits on the Police Schemes) earned to date by officers and employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current officers and employees.

Liabilities are discounted to their value at current prices, using a discount rate specified each year by the actuaries.

The assets of the LGPS attributable to the Chief Constable are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price.
- Unquoted securities – professional estimate.
- Unitised securities – current bid price.
- Property – market value.

All three of the police schemes are unfunded and therefore do not have any assets. Benefits are funded from the contributions made by currently serving officers and a notional employer's contribution paid from the general fund; any shortfall is partially topped up by a grant from the Home Office.

The change in the net pensions liability is analysed into six components:

- Current service cost – the increase in liabilities as a result of years of service earned this year, it is debited to the net cost of policing in the Comprehensive Income and Expenditure Statement (CIES). The current service cost is based on the latest available actuarial valuation.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. Past service costs are debited to the net cost of policing in the CIES.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. It is charged to the Financing and Investment Income and Expenditure line in the CIES. The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. They are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the four pension funds – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amounts payable by the Chief Constable to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. This means that in the MiRS there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the 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 are earned by employees.

Discretionary Benefits

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

The Chief Constable makes payments to police officers in relation to injury awards, and the expected injury awards for active members are valued on an actuarial basis.

Events after the reporting period

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

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events. However, 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.

Government grants and contributions

All government grants are received in the name of the PCC. However, where grants and contributions are specific to expenditure incurred by the Chief Constable, they are recorded as income within the Chief Constable's accounts. Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Chief Constable when there is reasonable assurance that:

- The Chief Constable will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Chief Constable are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using 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 within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MiRS. 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.

Joint operations

Joint operations are activities undertaken by the Chief Constable in conjunction with other bodies, which involve the use of her resources or those of the other body, rather than the establishment of a separate entity. The Chief Constable recognises the liabilities that she incurs and debits and credits the CIES with her share of the expenditure incurred and income earned from the activity of the operation.

Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor.

The amounts payable to the PFI operators each year are analysed into five elements; only the fair value of the services received during the year is debited to the Chief Constable's net cost of policing in the CIES. The other elements are only shown in the PCC and Group accounts.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Chief Constable – these reserves are explained in the following paragraph:

Pension Reserve

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 Chief Constable accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the Chief Constable 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.

Value Added Tax

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Chief Constable's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable.

Going Concern

The Code stipulates that the financial statements of local authorities that can only be discontinued under statutory prescription shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, in order to assist External Audit with establishing their going concern conclusion, a review of going concern is carried out by management. Refer to section 7 of the narrative report and Note 17 for detail of this review.

2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The amendments required to be adopted under the 2025/26 Code are:

- **IAS 21 *The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)*** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 *Insurance Contracts*** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change.

Application of the Standards referred to above, as adopted by the Code, is required by 1 April 2025, and these standards will be initially adopted as at 1 April 2025, where applicable. The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

It is not expected that the adoption of any of the standards listed above will have a material effect on the 2025/26 financial statements.

3. Critical Judgements in Applying Accounting Policies

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

- The budget is set by the PCC and provides the Chief Constable with the authority to incur expenditure. There are still uncertainties about the future funding beyond 2025/26 in regard of what the PCC will receive from the government and the limitations around the precept. The PCC and the Chief Constable are working together to mitigate the impact of the funding gap emerging over the period of the Medium-Term Financial Plan, the impact of which will be realised in the budget set by the PCC.

- The allocation of transactions and balances between the PCC and the Chief Constable has been set out in the Narrative Report to these accounts.

- The PCC has a significant number of assets including those under PFI arrangements. The PCC has the responsibility, control and risk in terms of the provision of those assets. Consequently, a critical judgement has been made to show any connected grant funding (e.g. for PFI) and the capital and financing costs of the provision of those assets in the PCC accounts. As the Chief Constable utilises the assets on a day-to-day basis, the officers and staff of the Chief Constable have responsibility for the use of the consumables, heating and lighting and so forth. Consequently, these costs are shown in the Chief Constable accounts including the service charges element of the PFI.

- Costs of pension arrangements require estimates assessed by independent qualified actuaries regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS19 reporting are the responsibility of the Group as advised by the actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.

- In respect of the LGPS police staff pension costs, separate actuarial valuations have been carried out to provide the accounting entries for the

PCC and the Chief Constable in 2024/25 and are reflected in the financial statements.

- Under accounting standards, an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised in the accounts to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions to the plan. However, as the Employer has no unconditional right to a refund from the Fund, there is therefore no economic benefit available as a refund, so a judgment has been made to limit the surplus recognised in the accounts to the present value of reductions in future contributions.

4. Intra-group Funding Arrangement Between the PCC and Chief Constable

The background and principles that underpin the accounting arrangements and create the need for an intra-group adjustment have been set out in the Narrative Report.

The PCC received all funding on behalf of the Group; at no time, under the current arrangements, does the Chief Constable hold any cash or reserves. However, it is felt that to accurately represent the substance of the financial impact of the day-to-day control exercised by the Chief Constable over policing it is necessary to capture the costs associated with this activity in the Chief Constable’s CIES. A consequence of this is that the employment liabilities associated with police officers and police staff are also contained in the Chief Constable’s CIES and the accumulative balances are held on the Chief Constable’s Balance Sheet. All other assets and liabilities are held on the PCC’s Balance Sheet.

Whilst no actual cash changes hands the PCC has undertaken to fund the resources consumed by the Chief Constable. The PCC effectively makes all payments from the Police Fund. To reflect this position in the Accounts, funding from the PCC offsets cost of service expenditure contained in the Chief Constable’s CIES. This intra-group adjustment is mirrored in the PCC’s CIES. The financial impact associated with the costs of the employment liabilities are carried on the balance sheet in accordance with the Code and added to the carrying value of the Pensions Liability and Accumulated Absences Liability.

5. Notes to the Expenditure and Funding Analysis

Adjustments between the CIES and the General Fund

Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2023/24 £000		Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2024/25 £000
			Year Ended 31 March			
(8,810)	(24)	(8,834)	Constabulary	(13,076)	(26)	(13,102)
(8,810)	**(24)**	**(8,834)**	**Net Cost of Police Services**	**(13,076)**	**(26)**	**(13,102)**
30,330	-	30,330	Other income and expenditure	32,809	-	32,809
21,520	**(24)**	**21,496**	**Difference between General Fund Deficit/(Surplus) & CIES Deficit/(Surplus)**	**19,733**	**(26)**	**19,707**

Expenditure and Income Analysed by Nature

2023/24 £000		2024/25 £000
	Expenditure	
126,586	Employee benefits expenses	133,528
26,081	Other service expenditure	29,147
49,218	Net pensions interest cost	52,319
201,885	**Total Expenditure**	**214,995**
	Income	
(8,240)	Fees, charges and other service income	(11,773)
(3,218)	Government grants and contributions	(6,318)
(11,458)	**Total Income**	**(18,091)**
190,426	**Deficit on the Provision of Services before Intra Group funding**	**196,903**
(168,930)	Intra Group Funding	(177,196)
21,496	**Deficit on the Provision of Services**	**19,707**

6. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the PCC and Chief Constable with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £92.2m.

The value of the LGPS pension fund assets is calculated by the actuary as part of the formal triennial valuation process, and rolled forward to the balance sheet date, allowing for any movements in the year. These movements include investment returns, which may be estimated where necessary. However, the figure for 2024/25 incorporates actual returns for the full year to 31 March 2025.

7. Events after the Reporting Period

Events after the reporting period have been considered for the period from the year-end to the date the accounts were authorised for issue on ……………. 2026. At the time of issue there were no adjusting nor non-adjusting subsequent events that required disclosure.

8. Related Parties

The Chief Constable is required to disclose material transactions with bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable.

During 2024/25 there were no material related party transactions involving senior officers of the Constabulary, other than those included under employees' remuneration set out in Note 9 of these financial statements. All Chief Officers have been written to requesting details of any related party transactions and there are no disclosures.

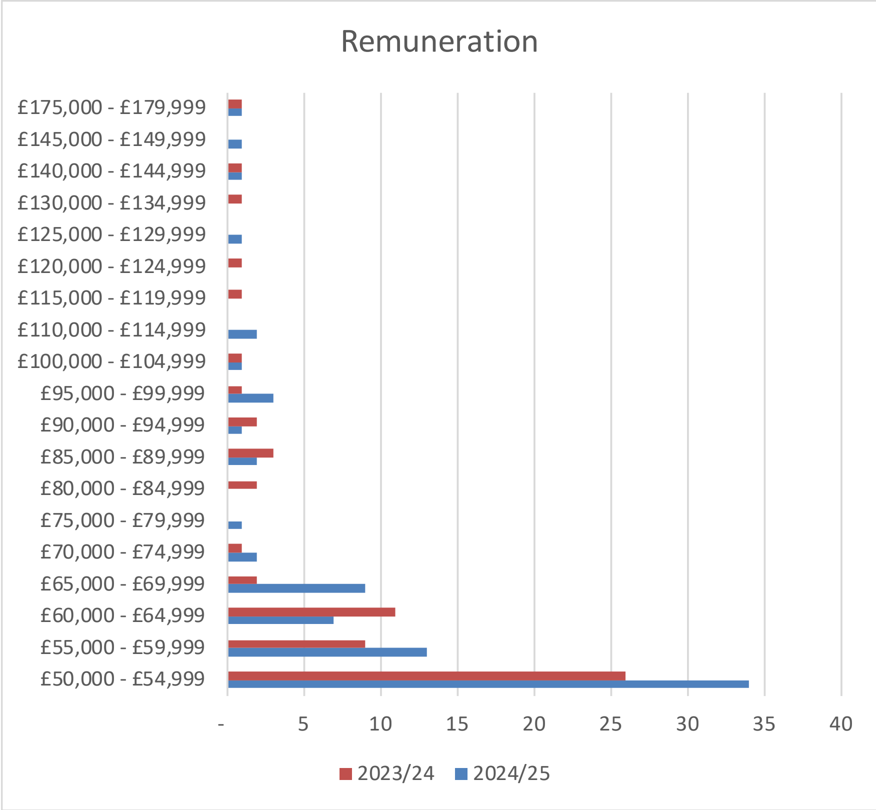
Central Government has effective control over the general operations of the Chief Constable, it is responsible for providing the statutory framework within which the Chief Constable operates, provides the majority of its funding and prescribes the terms of many of the transactions that the Chief Constable has with other parties. Income from central government is set out in Note 10 of these financial statements.

Norfolk and Suffolk Constabularies have implemented significant collaborative arrangements, these are fully disclosed in Note 15.

No other material transactions with related parties have been entered into except where disclosed elsewhere in the accounts.

9. Employees' Remuneration

The numbers of employees and senior police officers whose remuneration exceeded £50k in 2024/25 were as follows:



"Remuneration" is defined, by regulation, as "all amounts paid to or receivable by an employee and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash."

In the above bandings, there were no payments for loss of office made to employees.

In addition to the above, the Accounts and Audit Regulations 2015 require a detailed disclosure of employees' remuneration for relevant senior police officers, certain statutory and non-statutory chief officers and other persons with a responsibility for management of the Constabulary. The officers listed in the following table are also included in the above banding disclosure note.

	Salaries Fees and Allowances £000	Employers Pension Contributions £000	Benefits in kind £000	Total £000
2024/25				
Position held				
Chief Constable - Rachel Kearton	175	60	1	236
Deputy Chief Constable	145	50	1	196
Assistant Chief Constable (from 24.6.24)	143	47	-	190
Temporary ACC (to 23.6.24)				
Temporary Assistant Chief Constable (to 11.7.24)	37	13	-	50
Temporary Assistant Chief Constable (from 12.12.24 to 13.1.25	112	38	-	150
Assistant Chief Officer	126	22	-	148
2023/24				
Position held				
Chief Constable - Rachel Kearton	175	49	-	224
Deputy Chief Constable	141	41	-	182
Temporary Assistant Chief Constable	134	35	-	169
Temporary Assistant Chief Constable	123	37	6	166
Temporary Assistant Chief Constable (11.9.23 to 18.12.23)	86	23	-	109
Assistant Chief Officer	118	22	-	140

During 2024/25 a chief officer from Norfolk Constabulary acted as an Assistant Chief Constable (ACC), Suffolk Constabulary contributed 43.5% towards the cost of this post.

During 2024/25 a Suffolk Officer acted as an Assistant Chief Constable for the ERSOU Collaboration, other participating forces contribute towards the cost of this post.

The Regulations also require disclosure of compensation for loss of employment and other payments to relevant police officers. No amounts were paid to the above officers in respect of these categories.

Exit Packages

The number of exit packages with a total cost per band and total cost of compulsory and other redundancies are set out in the table below.

Exit Package Cost Band including Special Payments	Number of Compulsory Redundancies		Total Number of Exit Packages		Total Value of Exit Packages	
£000	2024/25	2023/24	2024/25	2023/24	2024/25 £000	2023/24 £000
0 - 20	1	3	1	3	7	25
20 - 40	3	1	3	1	106	22
40 - 60	2	-	2	-	115	-
60 - 80	1	-	1	-	63	-
80 - 100	-	1	-	1	-	93
	7	5	7	5	291	139

Actual expenditure in the year includes the differences between actual expenses paid and values accrued in 2024/25, including values where employees were projected to be made redundant but were subsequently found employment within the Constabulary.

10. Grant Income

The following grants and contributions were credited to the Chief Constable Comprehensive Income and Expenditure Statement during the year.

	2024/25 £000	2023/24 £000
Credited to Services		
Police incentivisation	386	262
Specific grant for police pension	3,972	1,163
Other specific grants	1,960	1,793
Total	**6,318**	**3,218**

11. External Audit Costs

The Chief Constable fees payable in respect of external audit services were as follows:

2023/24 £000		2024/25 £000
	The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts	
45	The Chief Constable of Suffolk	51
31	The Chief Constable of Suffolk scale fee variation 2021/22	-
-	The Chief Constable of Suffolk scale fee variation 2022/23	6
76		**58**

No fees have been payable to the external auditors for non-audit work.

12. Private Finance Initiatives

Police Investigation Centres (PIC)

During the financial years 2010/11 to 2040/41 the Suffolk and Norfolk PCCs are committed to making payments under a contract with a consortium for the use of the six PICs. The actual level of payments will be dependent on availability of the site and provision and delivery of services within. The contract is for 30 years. At the end of this term the properties revert to the two Groups.

Suffolk and Norfolk PCCs have agreed to pay for these services on an agreed percentage in accordance with the total number of cells within the six properties located in the two counties – this being Norfolk 58.2% and Suffolk 41.8%. The payment recognised in the Chief Constable accounts is for the services element which during 2024/25 was £1.405m (£1.271m in 2023/24).

The PCC makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Revenue service payments, which are chargeable to the Chief Constable through the CIES and remaining to be made under the PFI contract at 31 March 2025 (which exclude any availability / performance deductions), are shown in the following table:

	Revenue Services £000
Payable in 2025/26	1,949
Payable within two to five years	7,211
Payable within six to ten years	10,443
Payable within eleven to fifteen years	10,593
Payable within sixteen to twenty years	2,868
	33,066

13. Retirement Benefits

Participation in pension schemes

Pension and other benefits are available to all PCC and Constabulary personnel under the requirements of statutory regulations. Four defined benefit pension schemes are operated:

a) The Local Government Pension Scheme (LGPS) for PCC and Constabulary police staff, administered by Suffolk County Council – this is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets.

   From April 2014 the LGPS changed to a career average defined benefit scheme, so that benefits accrued are worked out using the employee's pay each scheme year rather than the final salary. This applies to all membership which builds up from 1 April 2014, but all pensions in payment or built up before April 2014 are protected. Employee contributions are determined by reference to actual pensionable pay and are tiered between 5.5% and 12.5%.

b) The Police Pension Scheme (PPS) for police officers who joined before April 2006 is now closed and all active members have been transferred to the CARE scheme.

c) The New Police Pension Scheme (NPPS) for police officers who either joined from April 2006 or transferred from the PPS is now closed and all active members have been transferred to the CARE scheme.

d) The Police Pension 2015 Scheme for police officers is a Career Average Revalued Earnings (CARE) scheme, for those who either joined from April 2015 or transferred from PPS or NPPS. The employee contributions are 12.44%-13.78% of salary and the Normal Pension Age is 60 although there are protections for eligible officers to retire earlier. Contribution rates are dependent on salary.

All police pension schemes are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet pension liabilities. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department. The actuarial valuation has set the employer contribution rate for all three police pension schemes from 1 April 2024 as 35.3% of pensionable pay. A pensions top-up grant from the Home Office is received which funds contributions to a level of 21.3% and in 2024/25 a specific grant of £4.0m was received to part fund the cost of the recent change in contribution rates. The CIES meets the costs of injury awards and the capital value of ill-health benefits.

The PCC is also required to maintain a Police Pension Fund Account. Employer and employee contributions are credited to the account together with the capital value of ill-health retirements and transfer values received. Pensions and other benefits (except injury awards) and transfer values paid are charged to this account. If the account is in deficit at 31 March in any year, the Home Office pays a top-up grant to partially cover it. If there is a surplus on the account, then that has to be paid to the Home Office.

Transactions relating to post-employment benefits

The cost of retirement benefits are recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so the actuarial cost of retirement is reversed out of the General Fund in the MiRS.

The note below contains details of the Chief Constable's operation of the Local Government Pension Scheme (administered by Suffolk County Council) and the Police Pension Schemes in providing police staff and police officers with retirement benefits. In addition, the Group has arrangements for the payment of discretionary benefits to certain retired employees outside of the provisions of the schemes.

The following transactions have been made in the CIES and the General Fund via the MiRS during the year.

	LGPS		Police Pension Schemes	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Comprehensive Income and Expenditure Statement				
Cost of services				
Current service costs	6,386	6,748	9,530	9,260
Past service costs	37	8	-	(10)
Financing and investment income and expenditure				
Net interest expense (including asset ceiling interest)	9	(1,442)	52,310	50,660
Total post employment benefit charges to the Deficit on the Provision of Service	**6,432**	**5,314**	**61,840**	**59,910**
Other post employment benefit charged to the CIES				
Return on plan assets (excluding the amount included in the net interest expense)	(1,204)	(19,774)	-	-
- Actuarial (gains)/losses arising from changes in demographic assumptions	(371)	(1,325)	(1,790)	-
- Actuarial (gains)/losses arising from changes in financial assumptions	(38,863)	(14,491)	(128,810)	(22,430)
- Other (including asset ceiling adjustment)	41,095	67,908	(545)	12,515
	657	32,318	(131,145)	(9,915)
Total post employment benefit charged to the CIES	**7,089**	**37,632**	**(69,305)**	**49,995**
Movement in Reserves Statement (MIRS):				
Reversal of net charges made to the CIES for post employment benefits in accordance with the Code	**(7,089)**	**(37,632)**	**69,305**	**(49,995)**
Actual amount charged against the General Fund Balance for pensions in the year:				
Employers' contributions charged to the general fund	7,164	6,819	41,375	36,885
Retirement benefits payable to pensioners	(5,832)	(5,653)	(48,965)	(44,015)

Assets and liabilities in relation to retirement benefits

	Local Government Pension Scheme		Police Pension Schemes		Total Pension Schemes	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000
Present value of liabilities	(185,114)	(213,006)	(1,006,540)	(1,117,220)	(1,191,654)	(1,330,226)
Fair value of plan assets	293,414	275,207	-	-	293,414	275,207
Sub total	108,300	62,201	(1,006,540)	(1,117,220)	(898,240)	(1,055,019)
Interest on the effect of the asset ceiling	(3,040)	(62)			(3,040)	(62)
Changes in the effect of the asset ceiling	(105,662)	(62,616)	-	-	(105,662)	(62,616)
Other movements on the asset	(108,702)	(62,678)	-	-	(108,702)	(62,678)
Total Net Liabilities	**(402)**	**(477)**	**(1,006,540)**	**(1,117,220)**	**(1,006,942)**	**(1,117,697)**

Reconciliation of present value of the scheme liabilities

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Opening Balance at 1 April	213,006	209,008	1,117,220	1,104,110
Current service cost	6,386	6,748	9,530	9,260
Interest cost	10,393	10,004	52,310	50,660
Contributions by scheme participants	2,301	2,161	7,590	7,130
Remeasurement (gains) and losses:				
- Actuarial (gains)/losses arising from changes in financial assumptions	(38,863)	(14,491)	(128,810)	(22,430)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(371)	(1,325)	(1,790)	-
- Other	(1,943)	6,546	(545)	12,515
Past service costs	37	8	-	(10)
Benefits paid	(5,832)	(5,653)	(48,965)	(44,015)
Closing Balance at 31 March	**185,114**	**213,006**	**1,006,540**	**1,117,220**

Reconciliation of fair value of scheme assets

	Funded Assets Local Government Pension Scheme		Unfunded Assets Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Opening fair value of scheme assets at 1 April	275,207	240,652	-	-
Interest income	13,424	11,508	-	-
Remeasurement gain/(loss):				
- the return on plan assets, excluding the amount included in the net interest expense	1,204	19,774	-	-
Other	(54)	(54)	-	-
Contributions from employer	7,164	6,819	41,375	36,885
Contributions from employees into the scheme	2,301	2,161	7,590	7,130
Benefits paid	(5,832)	(5,653)	(48,965)	(44,015)
Closing fair value of scheme assets at 31 March	**293,414**	**275,207**	**-**	**-**

The total net pensions liabilities of £1,007m represent the long run commitments in respect of retirement benefits and results in the balance sheet showing net overall liabilities of £1,008m. However, the financial position of the Chief Constable remains sound as the liabilities will be spread over many years as follows:

- The net liability on the local government scheme will be covered by contributions over the remaining working life of employees, as assessed by the scheme actuary.
- The net costs of police pensions which are the responsibility of the PCC will be covered by provision in the revenue budget and any costs above that level will be funded by the Home Office, under the change which came into effect from April 2006.

Actuarial losses on scheme assets represent the difference between the actual and expected return on assets, actuarial gains on scheme liabilities arise from more favourable financial assumptions. Due to the March 2022 triennial revaluation of the LGPS, there was a swing from the pension fund being in a net liability position to being in a net asset position which has resulted in an asset ceiling adjustment being made. IFRIC 14 states where there is a pension net asset an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions. As the employer has no unconditional right to a refund from the Fund, there is no economic benefit available as a refund therefore the PCC has made a judgement to limit the surplus recognised in the accounts to the present value of reductions in future contributions. This adjustment is shown in the asset and liabilities table above as other movements on the asset.

Suffolk County Council is required to have a funding strategy for elimination of deficits, under regulations effective from 1 April 2005. The strategy allows deficits to be cleared over periods up to 20 years.

The Police Pension Schemes have no assets to cover their liabilities. The Chief Constable’s share of the assets in the Suffolk LGPS are valued at fair value, principally market value for investments and consist of the categories in the following table.

	Fair Value of Scheme Assets			
	31 March 2025		31 March 2024	
	£000	%	£000	%
Cash and cash equivalents	**2,258**	**0.77**	**2,844**	**1.03**
Bonds - by sector				
- Corporate	81,611		64,968	
Sub total Bonds	**81,611**	**27.81**	**64,968**	**23.61**
Property - by type				
- UK property	19,945		19,979	
- Overseas property	5,595		-	
Sub total property	**25,540**	**8.70**	**19,979**	**7.26**
Private equity - all:	**9,479**	**3.23**	**10,924**	**3.97**
Other investment funds:				
- Equities	136,670		127,018	
- Bonds	-		10,197	
- Hedge funds	-		4,535	
- Infrastructure	28,517		25,624	
- Other	9,339		9,118	
Sub total other investment funds	**174,527**	**59.48**	**176,492**	**64.13**
Total Assets	**293,414**	**100**	**275,207**	**100**

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Within the Police Schemes, the age profile of the active membership is not rising significantly, which means that the current service cost in future years will not rise significantly as a result of using the projected unit credit method.

The police schemes have been assessed by the Government Actuary's Department and the Suffolk LGPS liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. The actuary has confirmed that for police staff, there is no reason to believe that the age profile is rising significantly. The main assumptions used in their calculations are shown below:

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
Mortality assumptions:				
Longevity at 65 for current pensioners				
Men	21.5	21.6	21.9	21.9
Women	24.0	24.0	23.9	23.6
Longevity at 65 for future pensioners				
Men	22.2	22.3	23.3	23.6
Women	25.8	25.8	25.2	25.1
Rate of inflation (CPI)	2.75%	2.75%	2.70%	2.60%
Rate of increase in salaries	3.75%	3.75%	3.45%	3.85%
Rate of increase in pensions	2.75%	2.75%	2.70%	2.60%
Rate for discounting scheme liabilities	5.80%	4.85%	5.65%	4.75%
CARE revaluation rate	n/a	n/a	3.95%	3.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on the possibility of changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all others remain constant. The assumptions of longevity, for example, assume that the life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the following sensitivity analyses did not change from those used in the previous period.

	Local Government Pension Scheme		Police Pension Schemes	
	Approximate Increase to Employers Liability	Approximate Monetary Amount	Approximate Increase to Employers Liability	Approximate Monetary Amount
	%	£000	%	£000
0.5% (PPS), 0.1% (LGPS) decrease in real discount rate	2.0%	3,764	7.0%	73,000
1 year increase in member life expectancy	4.0%	7,405	2.0%	22,000
0.5% (PPS), 0.1% (LGPS) increase in the salary increase rate	0.0%	170	7.0%	8,000
0.5% (PPS), 0.1% (LGPS) increase in the pension increase rate	2.0%	3,698	7.0%	72,000

Unlawful discrimination

Police Pension Scheme

The protection provided to some members when PPS 2015 was introduced (resulting in members closest to their normal pension age remaining in their legacy scheme) was found to be age discriminatory, further to the case of McCloud / Sargeant.

The practical effects of McCloud / Sargeant are set out below.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) and The Police Pensions (Remediable Service) Regulations 2023 legislate for how the government will remedy the discrimination identified.

As a result, all members were moved to PPS 2015 from 1 April 2022, which ensures equal treatment from that point onwards. Eligible members have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022. When this choice can be made depends on whether or not the member has already retired and if not, when they intend to retire.

In addition, The Public Service Pensions Valuations and Employer Cost Cap Amendment Directions 2021 ensure 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 has led to an increase in the Police Pension Scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgement is 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 body 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 body in the form of a central government top-up grant.

Employment Tribunal claims

Claimants have lodged claims for compensation for the discrimination within three groups; Aarons & Ors, Roderick & Ors and Slade & Ors. The compensation can be broken down in to two elements; injury to feelings and financial loss.

Aarons & Ors

The Government Legal Department (GLD) settled the injury to feelings claims for the claimants represented by Leigh Day on behalf of Chief Officers without seeking any financial contributions, which sets a helpful precedent. Pecuniary loss claims were stayed until the remedy was bought into force (from 1 October 2023), on the basis that the losses could not be calculated before then. As at 31 March 2025, the claims remain stayed, therefore no liability in respect of compensation claims is recognised in these accounts.

Roderick & Ors and Slade & Ors

These claims, represented by Penningtons, have been stayed since 2022 behind the Aarons claims, although it is hoped / anticipated that GLD will settle the injury to feelings claims as they did in Aarons. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Valuations

Scheme liabilities will be measured through the pension valuation process, which determines employer and employee contribution rates. The last LGPS valuation took place in 2022 and the police pension valuation took place in 2020 and was implemented in 2024/25.

Impact on the Chief Constable's cash flow

The objective of the scheme is to keep employers' contributions at as constant a rate as possible. The county council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. The minimum employer contributions payable over the next year is 19.4%. The last triennial valuation was dated 31 March 2022.

Estimated employer's contributions for 2025/26 amount to £6.960m on the LGPS and £39,616m on the Police Schemes.

The weighted average duration of the defined benefit obligation for the LGPS is 21.0 years (21.0 years, 2023/24) and for the Police schemes is 17.0 years (17.0 years, 2023/24).

14. Creditors

The balance of creditors is made up of the following:

	31 March 2025 £000	31 March 2024 £000
Short term creditors:		
Accruals & receipts in advance	1,123	1,149
Balance at 31 March	**1,123**	**1,149**

15. Collaborative Arrangements

Local Collaboration

Both Norfolk and Suffolk Constabularies are collaborating extensively across a range of service areas. At the point where collaborative opportunities are identified as able to deliver efficiencies, savings or improved service then the PCC is required to give their approval to collaborate. This is recognised by Norfolk and Suffolk alike.

The Collaboration Panel for Norfolk and Suffolk, as described in the Scheme of Governance and Consent, provides an opportunity for the counties' respective PCCs to consider issues of mutual interest and discharge the governance responsibilities of the PCCs. The agreed shared costs of fully collaborated units that arose during the year was as follows:

	Business Support £000	Justice Services £000	Protective Services £000	County Policing £000	Total £000
2024/25					
Suffolk PCC	25,300	13,883	19,981	140	59,304
Norfolk PCC	32,861	18,032	25,952	182	77,026
Total shared running costs	**58,161**	**31,915**	**45,933**	**321**	**136,330**
2023/24					
Suffolk PCC	23,917	12,866	18,306	516	55,606
Norfolk PCC	30,939	16,644	23,680	668	71,931
Total shared running costs	**54,856**	**29,510**	**41,987**	**1,184**	**127,537**

Regional Collaboration

Collaboration within the region has been pursued for a number of years. Since April 2023, the six PCCs from the region have met annually as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specifies the formalities of the collaboration arrangements in relation to specific collaborations.

Since October 2015 the six police areas in the Region have been joined by Kent in the 7Force Strategic Collaboration Programme. This has been formalised in a collaboration agreement entered into between the PCCs and Chief Constables of the seven police areas. The agreement is for an indefinite duration.

The net expenditure incurred by each force in respect of ERSOU (Eastern Region Specialist Operations Unit) is as follows:

	Total 2024/25 £000	Total 2023/24 £000
Operating costs	39,214	34,649
Specific Home Office grant	(9,743)	(8,627)
Total deficit for the year	**29,471**	**26,022**
Contributions from forces:		
Bedfordshire	(3,114)	(2,774)
Cambridgeshire	(3,902)	(3,505)
Essex	(4,347)	(3,637)
Hertfordshire	(5,565)	(5,015)
Kent	(4,754)	(4,080)
Norfolk	(4,396)	(3,952)
Suffolk	(3,394)	(3,059)
Deficit for the year	**-**	**-**

7F Commercial Services

The business case to collaborate 7F Commercial Services was agreed at the Eastern Region Summit on 10 July 2018. .

Since 2019/20, procurement services across the seven forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk have been collaborated to a single 7Force Procurement function. This is the first full seven force function to go live across the Eastern Region.

As a partnership of seven forces, this created the second largest contracting body in police procurement nationally. This provides greater economies of scale and better presence and 'buying power' for value for money contracts in the market place.

The 7F Commercial Services vision is to enable the delivery of an effective Police service and provide support for victims of crime in the eastern region by procuring and managing a high quality, value for money supply chain.

The net expenditure incurred by each force is as follows:

	Total 2024/25 £000	Total 2023/24 £000
Operating costs	3,881	4,139
Contributions from forces:		
Bedfordshire	329	353
Cambridgeshire	415	448
Hertfordshire	589	879
Essex	838	639
Kent	887	927
Norfolk	466	504
Suffolk	359	390
	3,881	**4,139**

National Collaboration

West Yorkshire Police is currently the lead force for the National Police Air Service (NPAS), although they have now given notice of their intent to step down and a new lead is being sourced. During 2012/13 all owned airframes (including the one owned by the former Suffolk Police Authority) transferred to the ownership of the PCC for West Yorkshire while leased airframes remained in the ownership of the lessor but the lease costs transferred.

The PCCs retained ownership of all freehold airbases, but some leases for airbases were novated to the Commissioner for West Yorkshire.

Police staff engaged in provision of the service were employed by the PCC and police officers were seconded to West Yorkshire Police. Expenditure relating to NPAS incurred by forces will be charged to West Yorkshire and they will charge forces for the service. The Home Office provide capital grant to cover the capital investment required.

The service is governed by a section 22A collaboration agreement and is under the control of a strategic board made up of Commissioners and Chief Constables from each region. The Board determines the budget and the charging policy and monitors performance.

During the year £0.227m (2023/24 £0.334m) was payable to West Yorkshire PCC in respect of the NPAS service provided. At 31 March 2025, West Yorkshire PCC owed Suffolk PCC £nil (31 March 2024 £0.40m) in respect of the Suffolk airframe.

16. Contingent Liabilities

MMI Ltd

The insurance company Municipal Mutual Insurance Limited (MMI) ceased trading in 1992 and ceased to write new or renew policies. Potentially claims can still be received as the company continues to settle outstanding liabilities. A scheme of arrangement is in place; however, this arrangement will not meet the full liability of all claims and a current levy of 25% will be chargeable in respect of successful claims on MMI's customers. There are currently no open claims against Suffolk Constabulary. As this point in time, it is not possible to calculate the full amount payable on future MMI claims.

Forensic Service Uncertainty

The validity of evidence provided by forensic testing companies to the police service is currently under investigation. It is reasonable to anticipate that some people may have been convicted of offences based on flawed data and that conviction will have had a significant impact on their personal circumstances. As a result, some kind of litigation is anticipated. At this point in time, it is not possible to assess the number of claims or the financial exposure arising from them.

Civil Claims

When civil claims are made against the Constabulary, where possible an assessment of potential liability is made, and an associated insurance provision is raised in the financial ledgers. Provisions are regularly reviewed and where necessary the provision updated. No provision is made until a claim has been received or if it is probable that a claim will be received and is measurable. There is therefore a general underlying contingent liability where incidents have taken place but where claims have yet to be received. In these circumstances it isn't possible to assess an estimate of economic outflow associated with claims yet to be received or any liability arising from statutory fines associated with these incidents.

Validity of Historic Amendments to Defined Benefit Pension Schemes

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment was subject to appeal, the Court of Appeal heard the arguments on 26 and 27 June 2024 and subsequently dismissed it.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Chief Constable does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in her financial statements.

17. Going Concern

The Police Reform and Social Responsibility Act 2011 sets out in statute the creation of the Police and Crime Commissioners and the financial responsibility they have. The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as the Office of the Police and Crime Commissioner and the Constabulary cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

PCCs and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospect is that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

Through actions taken to control spending in-year in order to mitigate significant inflationary pressure, the Constabulary and OPCC recorded an outturn underspend of £3.660m.

During 2024/25, The PCC has increased the General Reserve by £0.285m to £4.9m, at 31 March 2025 the PCC has a Budget Reserve of £16.5m that in extremis would be used to manage the financial risks of major incidents.

A high-level scenario planning exercise was completed and compared against our current MTFP assumptions. The budget gap for 2025/26 ranged between reasonable pragmatic case of £0.8m to a worst case of £2.7m given a range of assumptions on government funding, precept decisions, tax base reductions and collection fund deficits. The guidelines to Heads of Department in regard of the Strategic & Financial Planning process (using Outcome Based Budgeting principles) took these scenario plans into account and through this process the Constabulary delivered the required savings in order to reach a balanced budget for 2025/26.

Based on the approved medium Term Financial Plan, general fund balances including earmarked reserves at 31 March 2026 are planned to be £26.6m. This remains well above our minimum level of general fund balance as set by the PCC CFO of £5.2m.

Taking a worst-case funding scenario, and a worst-case assumption that no savings are identified through the Constabulary’s budget setting process, general fund balances including earmarked reserves as at 31 March 2026 would reduce to approximately £23.9m. This remains significantly above the minimum general fund balance set by the PCC CFO of £5.2m

Taking into account the availability of usable reserves, the capacity to finance the current gap between external borrowing and the capital financing requirement and the ability to borrow on a short-term basis to prudently fund any temporary shortfall of cash; the PCC is able to demonstrate that he has sufficiently liquid resources until 12 months from the authorisation of the financial statements to meet all liabilities as they fall due.

The PCC’s reserves remain sufficiently healthy to absorb funding pressures and remain able to meet its financial obligations as and when they fall due. Therefore, following our review of future finances, it has been concluded that there is no material uncertainty relating to going concern.

Police Pension Fund Accounting Statements

Fund Account

2023/24 £000		2024/25 £000
	Contributions receivable	
	Employer	
16,516	Normal	19,737
264	Early retirements	678
11	McCloud Remedy	184
16,790		20,599
	Members	
7,168	Normal	7,539
7,168		7,539
	Transfers in	
19	Individual transfers in from other schemes	211
19		211
	Benefits payable	
(37,513)	Pensions	(40,331)
(5,231)	Commutations and lump sum retirement benefits	(7,077)
-	Lump sum death benefits	(149)
(18)	Other	(144)
(42,761)		(47,702)
(104)	Refunds on contributions	(150)
-	Individual transfers out to other schemes	(7)
(104)		(157)
(18,888)	**Net amount payable for the year before contribution from the Police General Fund**	**(19,510)**
18,888	**Contribution from the Police General Fund**	**19,510**
-	**Net balance receivable for the year**	**-**

No assets are held by the pension fund and no amounts were owed to or from it as at 31 March 2025 (31 March 2024 £nil).

The actuarial valuation has set the employer contribution rate for all three police pension schemes from 1 April 2024 at 35.3% of pensionable pay. A pensions top-up grant from the Home Office is received which funds contributions to a level of 21.3% and in 2024/25 a specific grant of £3.972m was received to part fund the cost of the recent change in contribution rates. The Constabulary funds the resulting balance.

Glossary of terms

For the purposes of the statement of accounts the following definitions have been adopted:

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

Actual return on plan assets
The difference between the fair value of plan assets at the end of the period and the fair value at the beginning of the period, adjusted for contributions and payments of benefits.

Actuarial gains and losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

a) Events have not coincided with the actuarial assumptions made for the last valuations (experience gains and losses) or
b) The actuarial assumptions have changed

CIPFA
The Chartered Institute of Public Finance and Accountancy.

Contingent liability
A contingent liability is either:

a) A possible obligation arising from past events; it may be confirmed only if particular events happen in the future that are not wholly within the local authority's control; or
b) A present obligation arising from past events, where economic transactions are unlikely to be involved or the amount of the obligation cannot be measured with sufficient reliability.

Current Service Costs
The increase in pension liabilities as a result of years of service earned this year.

Defined benefit scheme
A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Government grants
Part of the cost of service is paid for by central government from its own tax income. Specific grants are paid by the Home Office to the Group towards both revenue and capital expenditure.

Group
The term Group refers to the Police and Crime Commissioner (PCC) for Suffolk and the Chief Constable (CC) for Suffolk.

Outturn
The actual amount spent in the financial year.

Past Service Costs
The increase in pension liabilities as a result of a scheme amendment or curtailment whose effect relates to year of service earned in earlier years.

Pension Strain
Occurs when there is a clear shortfall in the assumed level of funding needed to provide a particular pension benefit, often occurring when a member draws their benefits earlier than expected i.e. due to redundancy.

Projected Unit Credit Method
An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and

b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit credit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

Precept
The proportion of the budget raised from council tax.

Provision
Amount set aside to provide for a liability which is likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

PWLB
The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies and to collect the repayments.

Related parties
Two or more parties are related parties when at any time during the financial period:

a) One party has direct or indirect control of the other party; or
b) The parties are subject to common control from the same source; or
c) One party has influence over the financial and operational policies of the other party so that the other party might not always feel free to pursue its own separate interests; or
d) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Retirement Benefits
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme Liabilities
The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Settlement
An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits;
b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits; and
c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Vested Rights
In relation to a defined benefit scheme, these are:

a) for active members, benefits to which they would unconditionally be entitled on leaving the scheme;
b) for deferred pensioners, their preserved benefits;
c) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants.