



SUFFOLK
CONSTABULARY

**THE CHIEF CONSTABLE OF
SUFFOLK CONSTABULARY**

STATEMENT OF ACCOUNTS

for the year ended

31 March 2026

DRAFT

Statement of Accounts for the year ended 31 March 2026

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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 2026, 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
2. Governance
3. Risks
4. Non-financial performance 2025/26
5. Financial performance 2025/26
6. Outlook
7. Basis of preparation

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.

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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 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 2024 persons aged 65 years and older were estimated to account for 24.2% of the population, compared to a projection of 30% 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.

There are currently sixteen Nationally Significant Infrastructure Projects planned across the county over the next decade. Six are in active development, including the construction of Sizewell C, with the remaining ten progressing through various planning stages. These projects create sustained and complex policing demands for the Constabulary. This impact has been proactively mitigated through detailed modelling, enabling forward planning of resource requirements and operational risk. In parallel, the approval of Freeport East in 2021 is generating further economic growth and investment opportunities for Suffolk, with associated long-term implications for policing demand, infrastructure, and partnership working.

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 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 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 2025/26

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. 2025/26 saw particular success in the use of a partnership approach to serious organised crime known as Clear Hold Build. Collaborations with Norfolk Constabulary, ERSOU, ERIN and other Suffolk agencies and voluntary organisations, and investments in modern technologies such as domestic abuse video response, 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 continued innovation within the Contact and Control Room. The Futures Hub 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 current Police and Crime Plan 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 2026 there were 43,819 recorded crimes, 7.7% lower than the long-term average of 47,480. **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	2022/23	2023/24	2024/25	2025/26
Domestic Abuse	Number of crimes	9,156	7,591	7,461	7,411
	Solved rate	12%	13%	12%	13%
Serious Sexual Offences	Number of crimes	2,285	1,995	1,939	2,010
	Solved rate	6%	5%	8%	8%
Child Sexual Abuse	Number of crimes	1,308	939	813	1,009
	Solved rate	11%	11%	15%	13%
Business Crime	Number of crimes	6,274	6,447	5,707	5,182
	Solved rate	24%	25%	26%	30%
Hate Crime	Number of crimes	995	846	819	700
	Solved rate	14%	19%	18%	20%
Online Crime	Number of crimes	2,444	1,911	1,604	1,656
	Solved rate	10%	12%	12%	13%
Neighbourhood Crime	Number of crimes	8,137	7,488	7,290	7007
	Solved rate	10%	9%	10%	10%
Violence with Injury	Number of crimes	6,431	6,175	5,882	5,800
	Solved rate	15%	16%	16%	18%
Call Handling	999 calls answered in 10 seconds	77%	85%	91%	90%
Emergency Response	Emergencies responded to in target time	88%	87%	87%	86%
Road Safety	Number killed or seriously injured	254	267	310	350

Table 1 shows that there were decreasing volumes of crime in 2025/26 for the majority of key crime categories.

Call handling performance has remained aligned with the national target in 2025/26 with 90% of 999 calls answered within 10 seconds. 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 2025/26

The gross cost of policing services in 2025/26 was £168.444m, this compares to £162.676m in 2024/25, the increase in expenditure primarily relates to an increase in employee costs. The cost of policing services was offset by income of £19.426m (2024/25: £18.091m) 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 £55.740m (2024/25: £52.319m). The net defined pension liability decreased by £10.931m (2024/25: decrease £110.755m) 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 2025/26 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	<ul style="list-style-type: none"> Attract and develop well Healthy, fit and supported Innovate and improve
Fairness	<ul style="list-style-type: none"> Promote inclusion and diversity Communicate and engage well Build trust and confidence
Safety	<ul style="list-style-type: none"> Keep people safe Protect people from serious harm Prevent crime in partnership
Justice	<ul style="list-style-type: none"> Victims first High quality investigations Effective offender management

The plan is consistent with the PCC's Police and Crime Plan 2025-2029 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 2026/27 to 2029/30

Revenue Funding 2026/27

The PCC has published a medium-term financial plan for 2026/27 to 2029/30. A

copy is available from the PCC's website.

Funding for policing services has increased from £172.395m in 2025/26 to £183.773m in 2026/27. PCCs have been given the flexibility to increase the precept by £15 in 2026/27 without holding a referendum. Mr Passmore raised the precept by £15 to deliver a balanced budget in 2026/27.

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 2026/27

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 2026/27 is shown in **Table 2**.

Table 2: Capital programme 2026/27

	2026/27
	£000
Estates	3,779
ICT schemes and projects	9,205
Vehicles and equipment	1,533
Total	14,517

Future Efficiency and Savings Plans

As a result of service pressures, the Constabulary is required to achieve savings of £2.843m in 2026/27 and a further £7.251m 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 has moderated from recent peaks, it remains above the Bank of England's 2% target. The outlook remains exposed to risks from global energy prices and geopolitical uncertainty.

Estimates for non-pay inflation for 2026/27 are higher than the Constabulary's forecast in the 2025/26 medium term financial plan and the associated cost increase is unfunded by government. There is continued pressure for high pay settlements in 2026/27. The budgeted pay award is set at 3.5% for 2026/27 given the 4.2% increase for officers and staff in 2025/26 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 2026/27 and the reallocation of budgets where appropriate or the use of reserves. Inflation assumptions will be reconsidered when setting the budget for 2027/28.

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 2025/26. Further information is provided in Note 17 of the financial statements.

Explanation of financial statements

The Statement of Accounts 2025/26 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 2026

Gross Expenditure	Income	Net Expenditure		Note	Gross Expenditure	Income	Net Expenditure
2024/25	2024/25	2024/25			2025/26	2025/26	2025/26
£000	£000	£000			£000	£000	£000
			Division of Service:				
162,676	(18,091)	144,584	Constabulary		168,444	(19,426)	149,018
162,676	(18,091)	144,584	Net Cost of Police Services before group funding		168,444	(19,426)	149,018
-	(177,196)	(177,196)	Intra-group funding	4	-	(188,847)	(188,847)
162,676	(195,288)	(32,612)	Net Cost of Police Services		168,444	(208,273)	(39,829)
			Financing and Investment Income and Expenditure:				
52,319	-	52,319	Net pensions interest cost	13	55,740	-	55,740
52,319	-	52,319	Total Financing and Investment Income and Expenditure		55,740	-	55,740
		19,707	Deficit on the Provision of Services				15,911
			Other Comprehensive Income and Expenditure:				
		(130,488)	Remeasurements of the net defined benefit liability	13			(26,703)
		(130,488)	Total Other Comprehensive Income and Expenditure				(26,703)
		(110,781)	Total Comprehensive (Income) and Expenditure				(10,792)

Balance Sheet as at 31 March 2026

31 March 2025 £000		Notes	31 March 2026 £000
(1,123)	Short-term creditors and accruals	14	(1,263)
(1,123)	Current liabilities		(1,263)
(1,006,942)	Pensions liability	13	(996,011)
(1,006,942)	Long-term liabilities		(996,011)
(1,008,064)	Total liabilities		(997,272)
(1,008,064)	Net liabilities		(997,272)
(1,008,063)	Unusable reserves	(i)	(997,272)
(1,008,063)	Total reserves		(997,272)

(i) Details in Movement in Reserves Statement

These unaudited financial statements are issued on 26 June 2026.



Kenneth Kilpatrick

Chief Finance Officer to the Chief Constable

26 June 2026

Movement in Reserves Statement for the year ended 31 March 2026

	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 2025		-	-	(1,006,942)	(1,123)	(1,008,064)	(1,008,064)
Movement in Reserves during 2025/26							
Deficit on provision of services	(ii)	(15,911)	(15,911)	-	-	-	(15,911)
Other comprehensive income and expenditure	(ii)	-	-	26,703	-	26,703	26,703
Total comprehensive income and expenditure		(15,911)	(15,911)	26,703	-	26,703	10,792
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		36,379	36,379	(36,379)	-	(36,379)	-
Contribution to the Police Pension Fund		(20,606)	(20,606)	20,606	-	20,606	-
Increase/(decrease) on the Compensated Absences Account		139	139	-	(139)	(139)	-
Adjustments between accounting basis and funding basis under regulations		15,911	15,911	(15,773)	(139)	(15,912)	-
Increase/(decrease) in year		-	-	10,930	(139)	10,791	10,791
Balance at 31 March 2026		-	-	(996,011)	(1,263)	(997,272)	(997,272)
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	110,782	110,782
Balance at 31 March 2025		-	-	(1,006,942)	(1,123)	(1,008,064)	(1,008,063)

(ii) Details in Comprehensive Income and Expenditure Statement

Cash Flow Statement for the year ended 31 March 2026

2024/25 £000		Note	2025/26 £000
(19,707)	Deficit on the Provision of Services	(iii)	(15,911)
	Adjustment for non-cash or cash equivalent movements		
19,733	Movements on pension liability		15,773
(26)	Increase/(decrease) in creditors		139
19,707	Net adjustment for non-cash or cash equivalent movements		15,911
	- 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	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES
2024/25	2024/25	2024/25		2025/26	2025/26	2025/26
£000	£000	£000		£000	£000	£000
Year Ended 31 March						
157,686	(13,102)	144,584	Constabulary	168,240	(19,222)	149,018
(177,196)	-	(177,196)	Intra-group funding	(188,847)	-	(188,847)
(19,510)	(13,102)	(32,612)	Net Cost of Police Services	(20,607)	(19,222)	(39,829)
19,510	32,809	52,319	Other income and expenditure	20,606	35,134	55,740
-	19,707	19,707	Deficit on the Provision of Services	-	15,911	15,911
-			Opening General Fund balance at 1 April	-		
-			Closing General Fund Balance at 31 March	-		

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1. Accounting Policies

General principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. 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

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 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, a review of going concern is carried out by management, please 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 2026/27 Code are:

- **Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)** issued in March 2024
- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)** issued in May 2024
- **Annual improvements to IFRS accounting standards – Volume 11** issued in July 2024
- **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)** issued in December 2024

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 2026, and these standards will be initially adopted as at 1 April 2026, 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 2026/27 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 2026/27 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 2025/26 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 2024/25 £000		Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2025/26 £000
Year Ended 31 March						
(13,076)	(26)	(13,102)	Constabulary	(19,361)	139	(19,222)
(13,076)	(26)	(13,102)	Net Cost of Police Services	(19,361)	139	(19,222)
32,809	-	32,809	Other income and expenditure	35,134	-	35,134
19,733	(26)	19,707	Difference between General Fund Deficit/(Surplus) & CIES Deficit/(Surplus)	15,773	139	15,911

Expenditure and Income Analysed by Nature

2024/25 £000		2025/26 £000
Expenditure		
133,528	Employee benefits expenses	138,386
29,147	Other service expenditure	30,058
52,319	Net pensions interest cost	55,740
214,995	Total Expenditure	224,184
Income		
(11,773)	Fees, charges and other service income	(13,199)
(6,318)	Government grants and contributions	(6,227)
(18,091)	Total Income	(19,426)
196,903	Deficit on the Provision of Services before Intra Group funding	204,758
(177,196)	Intra Group Funding	(188,847)
19,707	Deficit on the Provision of Services	15,911

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 £87.8m.

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 2025/26 incorporates actual returns for the full year to 31 March 2026.

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 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 2025/26 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.

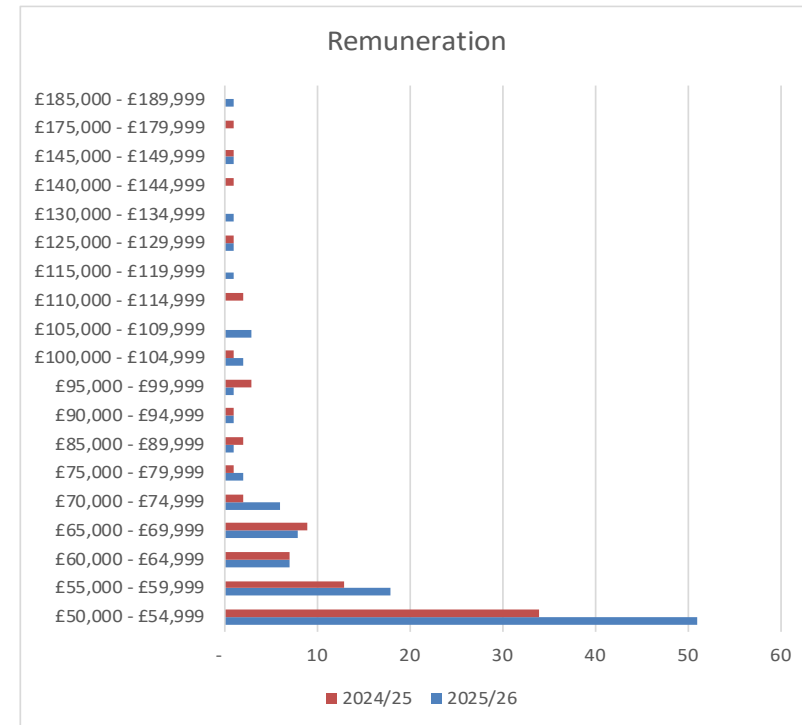
Central Government has effective control over the general operations of the Chief Constable, it is responsible for providing the statutory framework within which the Chief Constable operates, provides the majority of its funding and prescribes the terms of many of the transactions that the Chief Constable 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 2025/26 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 Allowance £000	Employers Pension Contributions £000	Benefits in kind £000	Total £000
2025/26				
Position held				
Chief Constable - Rachel Kearton	185	65	1	251
Deputy Chief Constable (to 12.12.25)	107	37	1	145
Assistant Chief Constable	149	49	-	198
Assistant Chief Constable (from 12.9.25) Temp ACC from 12.7.25 to 11.9.25)	128	43	-	171
Assistant Chief Officer	131	23	-	154
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) Temporary ACC (to 23.6.24)	143	47	-	190
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

During 2025/26 a chief officer from Norfolk Constabulary acted as an Assistant Chief Constable (ACC) in a joint role, Suffolk Constabulary contributed 43.6% towards the cost of this post.

During 2025/26 a Norfolk chief officer acted as an Assistant Chief Constable in a three Force cost sharing role, Suffolk contributed 25.53% towards the cost of this post

During 2025/26 an officer from Bedfordshire acted as a Deputy Chief Constable in Suffolk.

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 £000	Number of Compulsory Redundancies		Number of Other Agreed Departures		Total Number of Exit Packages		Total Value of Exit Packages	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£000	£000
0 - 20	9	1	-	-	9	1	123	7
20 - 40	3	3	-	-	3	3	85	106
40 - 60	2	2	1	-	3	2	152	115
60 - 80	2	1	-	-	2	1	146	63
100 - 120	1	-	-	-	1	-	114	-
140 - 160	1	-	-	-	1	-	158	-
	18	7	1	-	19	7	779	291

Actual in year expenditure recognised in the CIES includes adjustments relating to estimates made in the prior period, where actual settlement amounts differ from those previously accrued or 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.

	2025/26	2024/25
	£000	£000
Credited to Services		
Police incentivisation	290	386
Specific grant for police pension	3,723	3,972
Other specific grants	2,214	1,960
Total	6,227	6,318

11. External Audit Costs

The Chief Constable fees payable in respect of external audit services were as follows:

2024/25	2025/26
£000	£000
The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts	
51 The Chief Constable of Suffolk	53
6 The Chief Constable of Suffolk scale fee variation 2022/23	-
- The Chief Constable of Suffolk scale fee variation 2023/24	14
- The Chief Constable of Suffolk scale fee variation 2024/25	13
58	80

In the 2022/23 Statement of Accounts, the Chief Constable disclosed an estimated external audit fee of £17,300 based on information available at that time; however, as no full audit was undertaken in that year, no liability arose. In 2024/25, £5,611 was disclosed as a scale fee variation in respect of Value for Money work relating to the 2022/23 audit. The Public Sector Audit Appointments (PSAA) has now confirmed that the total fee payable for all audit work relating to 2022/23 is £14,946, which includes the Value for Money work previously disclosed. The remaining balance of £9,335 was settled in 2025/26; however, as this relates to the 2022/23 audit, it is not included within the table above.

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 and variable consideration for non-lease components, which during 2025/26 was £2.371m (£1.405m in 2024/25).

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 2026 (which exclude any availability / performance deductions), are shown in the following table:

	Revenue Services £000
Payable in 2026/27	2,083
Payable within two to five years	7,172
Payable within six to ten years	10,649
Payable within eleven to fifteen years	11,211
	<u>31,116</u>

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 a notional employer contribution rate for the police pension schemes from 1 April 2024 at 35.3% of pensionable pay. Under the police pensions financing arrangements, a pensions top-up grant is received from the Home Office to meet the net cost of pension payments. The grant is calculated by deducting employee contributions and employer contributions assessed at this notional valuation rate from total pension expenditure. While police bodies fund employer contributions at a lower effective level in practice (historically around 21.3% of pensionable pay through core funding), the higher notional rate is applied in the grant calculation. As a result, the difference between the assumed employer contribution rate and the level effectively funded gives rise to a residual cost pressure, which is met from the Police General Fund.

The Home Office has provided additional specific grant funding to support the increase in employer contribution rates following the latest actuarial valuation; however, this does not fully offset the impact of the higher notional rate used in the grant calculation. In 2025/26 a specific grant of £3.7m was received to part fund the cost of the 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	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Comprehensive Income and Expenditure Statement				
Cost of services				
Current service costs	4,654	6,386	6,320	9,530
Past service costs	512	37	-	-
Financing and investment income and expenditure				
Net interest expense (including asset ceiling interest)	(60)	9	55,800	52,310
Total post employment benefit charges to the Deficit on the Provision of Service	5,106	6,432	62,120	61,840
Other post employment benefit charged to the CIES				
Return on plan assets (excluding the amount included in the net interest expense)	(6,322)	(1,204)	-	-
- Actuarial (gains)/losses arising from changes in demographic assumptions	(3,151)	(371)	-	(1,790)
- Actuarial (gains)/losses arising from changes in financial assumptions	(8,860)	(38,863)	(32,850)	(128,810)
- Other (including asset ceiling adjustment)	21,015	41,095	3,465	(545)
	2,682	657	(29,385)	(131,145)
Total post employment benefit charged to the CIES	7,788	7,089	32,735	(69,305)
Movement in Reserves Statement (MiRS):				
Reversal of net charges made to the CIES for post employment benefits in accordance with the Code	(7,788)	(7,089)	(32,735)	69,305
Actual amount charged against the General Fund Balance for pensions in the year:				
Employers' contributions charged to the general fund	7,809	7,164	43,645	41,375
Retirement benefits payable to pensioners	(6,171)	(5,832)	(51,565)	(48,965)

Assets and liabilities in relation to retirement benefits

	Local Government Pension Scheme		Police Pension Schemes		Total Pension Schemes	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000	£000	£000
Present value of liabilities	(201,961)	(185,114)	(995,630)	(1,006,540)	(1,197,591)	(1,191,654)
Fair value of plan assets	316,809	293,414	-	-	316,809	293,414
Sub total	114,848	108,300	(995,630)	(1,006,540)	(880,782)	(898,240)
Interest on the effect of the asset ceiling	(6,300)	(3,040)	-	-	(6,300)	(3,040)
Changes in the effect of the asset ceiling	(108,929)	(105,662)	-	-	(108,929)	(105,662)
Other movements on the asset	(115,229)	(108,702)	-	-	(115,229)	(108,702)
Total Net Liabilities	(381)	(402)	(995,630)	(1,006,540)	(996,011)	(1,006,942)

Reconciliation of present value of the scheme liabilities

	Local Government Pension Scheme		Police Pension Schemes	
	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000
Opening Balance at 1 April	185,114	213,006	1,006,540	1,117,220
Current service cost	4,654	6,386	6,320	9,530
Interest cost	10,776	10,393	55,800	52,310
Contributions by scheme participants	2,393	2,301	7,920	7,590
Remeasurement (gains) and losses:				
- Actuarial (gains)/losses arising from changes in financial assumptions	(8,860)	(38,863)	(32,850)	(128,810)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(3,151)	(371)	-	(1,790)
- Other	16,694	(1,943)	3,465	(545)
Past service costs	512	37	-	-
Benefits paid	(6,171)	(5,832)	(51,565)	(48,965)
Closing Balance at 31 March	201,961	185,114	995,630	1,006,540

Reconciliation of fair value of scheme assets

	Funded Assets		Unfunded Assets	
	Local Government		Police	
	Pension Scheme		Pension Schemes	
	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000
Opening fair value of scheme assets at 1 April	293,414	275,207	-	-
Interest income	17,136	13,424	-	-
Remeasurement gain/(loss):				
- the return on plan assets, excluding the amount included in the net interest expense	6,322	1,204	-	-
Other	(4,094)	(54)	-	-
Contributions from employer	7,809	7,164	43,645	41,375
Contributions from employees into the scheme	2,393	2,301	7,920	7,590
Benefits paid	(6,171)	(5,832)	(51,565)	(48,965)
Closing fair value of scheme assets at 31 March	316,809	293,414	-	-

The total net pensions liabilities of £0.996m represent the long run commitments in respect of retirement benefits and results in the balance sheet showing net overall liabilities of £0.997m. 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 2026		31 March 2025	
	£000	%	£000	%
Cash and cash equivalents	8,990	2.84	2,258	0.77
Bonds - by sector				
- Corporate	79,229		81,611	
Sub total Bonds	79,229	25.01	81,611	27.81
Property - by type				
- UK property	20,120		19,945	
- Overseas property	11,191		5,595	
Sub total property	31,312	9.88	25,540	8.70
Private equity - all:	8,393	2.65	9,479	3.23
Other investment funds:				
- Equities	150,123		136,670	
- Infrastructure	25,201		28,517	
- Other	13,562		9,339	
Sub total other investment funds	188,885	59.62	174,527	59.48
Total Assets	316,809	100	293,414	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	
	2025/26	2024/25	2025/26	2024/25
Mortality assumptions:				
Longevity at 65 for current pensioners				
Men	22.1	21.5	22.0	21.9
Women	24.7	24.0	24.0	23.9
Longevity at 65 for future pensioners				
Men	22.9	22.2	23.4	23.3
Women	26.2	25.8	25.3	25.2
Rate of inflation (CPI)	3.00%	2.75%	2.95%	2.70%
Rate of increase in salaries	4.00%	3.75%	3.70%	3.45%
Rate of increase in pensions	3.00%	2.75%	2.95%	2.70%
Rate for discounting scheme liabilities	6.30%	5.80%	6.10%	5.65%
CARE revaluation rate	n/a	n/a	4.20%	3.95%

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 £000	Approximate Increase to Employers Liability %	Approximate Monetary Amount £000
0.5% (PPS), 0.1% (LGPS) decrease in real discount rate	2.0%	3,569	7.0%	70,000
1 year increase in member life expectancy	4.0%	8,078	2.5%	24,000
0.5% (PPS), 0.1% (LGPS) increase in the salary increase rate	0.0%	170	1.0%	7,000
0.5% (PPS), 0.1% (LGPS) increase in the pension increase rate	2.0%	3,398	7.0%	70,000

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, Roderick & Ors and Slade & Ors

Claimants have lodged claims for compensation under two active sets of litigation, Aarons, and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. The settlement of the injury to feelings claims sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under Counsel advice, but it is expected that most of these claims will be settled under the current compensation mechanism provided for under the Public Service Pensions & Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful and therefore no contingent liabilities 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 2025 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 16.4%. The last triennial valuation was dated 31 March 2025.

Estimated employer's contributions for 2026/27 amount to £6.058m on the LGPS and £42.620m on the Police Schemes.

The weighted average duration of the defined benefit obligation for the LGPS is 14.0 years (21.0 years, 2024/25) and for the Police schemes is 15.0 years (17.0 years, 2024/25).

14. Creditors

The balance of creditors is made up of the following:

	31 March 2026 £000	31 March 2025 £000
Short term creditors:		
Accruals & receipts in advance	1,263	1,123
Balance at 31 March	1,263	1,123

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	Specialist Operations £000	Spec' Crime & Capability £000	County Policing £000	Total £000
2025/26					
Suffolk PCC	28,522	21,331	12,242	-	62,095
Norfolk PCC	36,896	27,593	15,836	-	80,325
Total shared running costs	65,418	48,924	28,077	-	142,420

	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

Following an organisational restructuring within certain collaborative directorates, Joint Protective Services and Joint Justice Services ceased to operate in their previous forms with effect from 1 April 2025. These functions were reconstituted as Joint Specialist Operations and Joint Specialist Crime and Capability. In addition,

certain elements transitioned to single-force arrangements during the course of the financial year.

This note is presented as a voluntary supplementary disclosure. In accordance with the CIPFA Code of Practice, prior year comparative figures have not been restated. Consequently, the amounts disclosed are not directly comparable and are provided for explanatory purposes only.

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 2025/26 £000	Total 2024/25 £000
Operating costs	40,020	39,214
Specific Home Office grant	(13,449)	(9,743)
Total deficit for the year	26,571	29,471
Contributions from forces:		
Bedfordshire	(2,794)	(3,114)
Cambridgeshire	(3,518)	(3,902)
Essex	(3,506)	(4,347)
Hertfordshire	(5,012)	(5,565)
Kent	(4,670)	(4,754)
Norfolk	(3,986)	(4,396)
Suffolk	(3,085)	(3,394)
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 2025/26 £000	Total 2024/25 £000
Operating costs	4,236	3,881
Contributions from forces:		
Bedfordshire	668	329
Cambridgeshire	290	415
Hertfordshire	641	589
Essex	585	838
Kent	562	887
Norfolk	1,028	466
Suffolk	461	359
	4,236	3,881

National Collaboration

West Yorkshire Police are currently the lead force for the National Police Air Service (NPAS). 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 £0.229ms (2024/25 £0.227m) was payable to West Yorkshire PCC in respect of the NPAS service provided.

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 to contracted-out defined benefit pension schemes were invalid where the required actuarial confirmation had not

been obtained at the time the amendment was made. The Court of Appeal upheld this judgment in July 2024.

In response to the uncertainty arising from this ruling, the UK Government has enacted the Pension Schemes Act 2026. This legislation establishes a statutory mechanism enabling pension schemes to retrospectively validate affected amendments through actuarial confirmation, where certain conditions are met.

The Local Government Pension Scheme (LGPS) is a contracted-out defined benefit scheme, and amendments made between 1997 and 2016 may fall within the scope of the *Virgin Media* judgment. National guidance indicates that the legislative remedy is expected to mitigate the risk that such amendments would result in material additional liabilities.

Work is ongoing at a national level, and within the LGPS, to assess the extent to which historical amendments are affected and to determine the appropriate application of the legislative remedy. The administering authority for the Pension Fund, supported by its actuary, is considering the implications for the Fund and any potential impact on employer liabilities. At the date of these financial statements, this assessment has not been completed.

Accordingly, it is not currently possible to determine whether there will be any impact on the liabilities of the Scheme, or to reliably estimate any such impact. On this basis, no provision has been recognised in these financial statements. The Chief Constable/PCC will continue to monitor developments and consider the outcome of the ongoing review in future reporting periods.

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 £2.368m.

During 2025/26, the PCC has increased the General Reserve by £0.280m to £5.2m, at 31 March 2026 the PCC has a Budget Reserve of £20.5m 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 2026/27 of £1.5m was calculated using 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 2026/27.

Based on the approved medium Term Financial Plan, general fund balances including earmarked reserves at 31 March 2027 are planned to be £30.5m. This remains well above our minimum level of general fund balance as set by the PCC CFO of £5.4m.

Taking 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 2027 would reduce to approximately £29.0m. This remains significantly above the minimum general fund balance set by the PCC CFO of £5.4m

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

2024/25 £000		2025/26 £000
	Contributions receivable	
	Employer	
19,737	Normal	20,871
678	Early retirements	614
184	McCloud Remedy	(17)
20,599		21,468
	Members	
7,539	Normal	7,999
7,539		7,999
	Transfers in	
211	Individual transfers in from other schemes	23
211		23
	Benefits payable	
(40,331)	Pensions	(41,856)
(7,077)	Commutations and lump sum retirement benefits	(7,656)
(149)	Lump sum death benefits	(151)
(144)	Other	(180)
(47,702)		(49,843)
(150)	Refunds on contributions	(70)
(7)	Individual transfers out to other schemes	(183)
(157)		(253)
(19,510)	Net amount payable for the year before contribution from the Police General Fund	(20,606)
19,510	Contribution from the Police General Fund	20,606
	- 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 2026 (31 March 2025 £nil).

The actuarial valuation has set a notional employer contribution rate for the police pension schemes from 1 April 2024 at 35.3% of pensionable pay. Under the police pensions financing arrangements, a pensions top-up grant is received from the Home Office to meet the net cost of pension payments. The grant is calculated by deducting employee contributions and employer contributions assessed at this notional valuation rate from total pension expenditure. While police bodies fund employer contributions at a lower effective level in practice (historically around 21.3% of pensionable pay through core funding), the higher notional rate is applied in the grant calculation. As a result, the difference between the assumed employer contribution rate and the level effectively funded gives rise to a residual cost pressure, which is met from the Police General Fund. The Home Office has provided additional specific grant funding of £3.723m to support the increase in employer contribution rates following the latest actuarial valuation; however, this does not fully offset the impact of the higher notional rate used in the grant calculation. 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.