Suffolk Police and Crime Commissioner

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

THE POLICE AND CRIME COMMISSIONER FOR SUFFOLK

GROUP AND PCC
STATEMENT OF ACCOUNTS

for the year ended
31 March 2025
DRAFT

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

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Statement of Responsibilities for the Statement of Accounts

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

The PCC for Suffolk must:

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

Approval of Statement of Accounts

I approve the following Statement of Accounts

Tim Passmore

Police and Crime Commissioner for Suffolk

The Chief Finance Officer of the PCC for Suffolk Responsibilities

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

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

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

The CFO PCC has also:

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

Certified by Chief Finance Officer of the PCC for Suffolk

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

Colette Batson

Chief Finance Officer

NARRATIVE REPORT

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

1. Policing Context

The Office of the Police and Crime Commissioner for Suffolk

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

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

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

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

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

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

The County of Suffolk

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

Figure 1 – Map of the County of Suffolk

Note: Principal police stations are marked in blue

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

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

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

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

Collaboration and partnership working

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

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

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

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

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

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

Partnerships

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

Commissioning

The PCC can commission services that:

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

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

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

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

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

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

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

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

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

2. Governance

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

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

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

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

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

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

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

3. Risks

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

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

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

4. Non-Financial Performance 2024/25

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

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

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

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

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

Table 1: Performance against Police and Crime Plan indicators

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

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

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

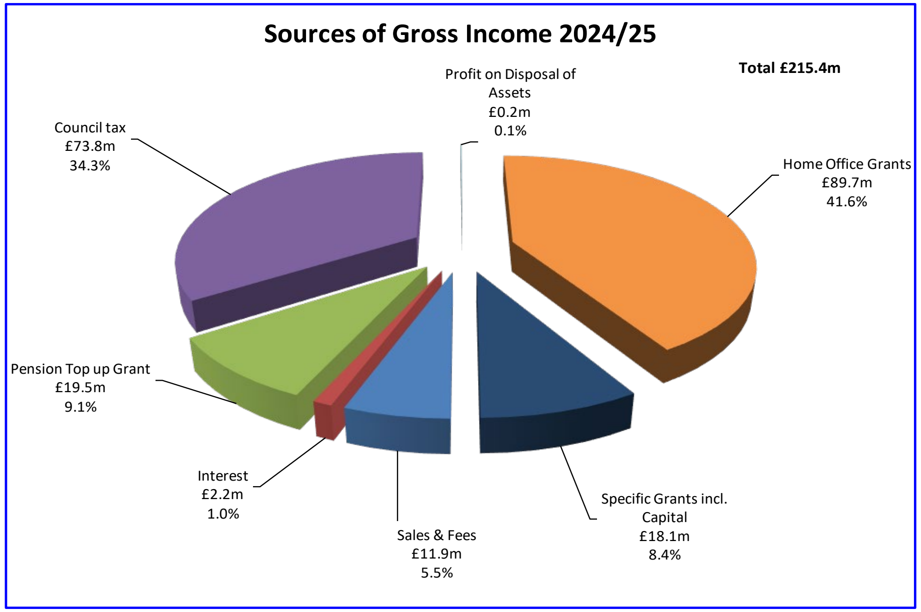
The Constabulary continues to robustly enforce against road users that speed, fail to wear seatbelts, use mobile phones whilst driving, and drive under the influence of drink and drugs. Often referred to as the 'fatal four', these offences impact upon the number of people killed and seriously injured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

5. Financial Performance 2024/25

Sources of Funding

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

Chart 1: Sources of gross income 2024/25



Revenue Budget 2024/25

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

Outturn Revenue Expenditure Compared to Budget

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

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

Explanations for significant variances are provided below:

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

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

Capital Budget 2024/25

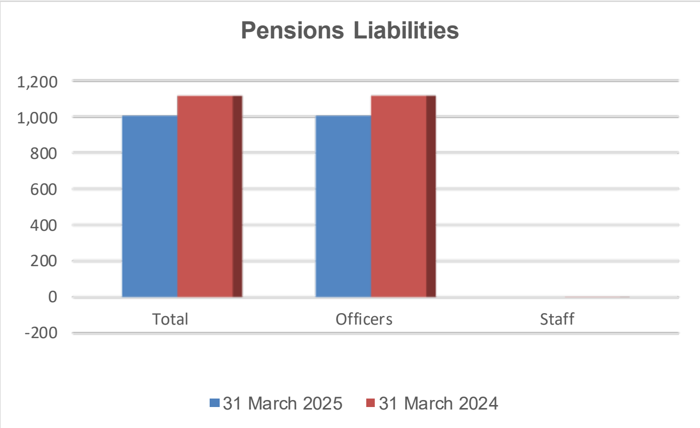
The Capital programme for 2024/25, including slippage from 2023/24 and in-year approvals, was £7.038m. Actual expenditure against this total was £5.094m. The under-spend of £1.944m is primarily due to the re-profiling of Estates schemes, ICT schemes, vehicle replacements and joint projects in the MTFP.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

Long Term Liabilities

Pension Liabilities

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

Chart 2: Suffolk PCC Group pension liabilities



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

Private Finance Initiative (PFI) Liabilities

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

Reserves

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

Treasury Management

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

Annual Governance Statement

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

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

6. Outlook

Police and Crime Plan 2025/29

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

- **Theme 1 – An efficient and effective police force for Suffolk.**
  - **Objective 1** - Improving public confidence through an effective response to the public and proactive approach to crime prevention.
  - **Objective 2** - Effective crime investigation, effective support for victims and appropriate management of offenders.
  - **Objective 3** - Working in partnership.
  - **Objective 4** - Ensure the Constabulary's people are developed and supported, and its assets and resources are used to enable an effective and efficient police service.
- **Theme 2 – Commissioning services which support victims of crime and investing in initiatives which reduce crime, disorder, offending and prevent victimisation.**
  - **Objective 1** - Commissioning services which support victims of crime.
  - **Objective 2** - Investing in initiatives which reduce crime, disorder, offending and prevent victimisation.
- **Theme 3 – Effective engagement with communities, and working with partner agencies, to enhance community safety and criminal justice.**
  - **Objective 1** - Engage with communities to understand their views about policing and crime.
  - **Objective 2** - Inform and update the public about the work of the PCC.
  - **Objective 3** - Work in partnership to support criminal justice and enhance community safety.

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

Chief Constable's Delivery Plan 2023/28

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

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

Mission: keeping Suffolk safe

Values: courageous, professional, community and compassionate

The Chief Constable's priorities are provided below.

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

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

Medium Term Financial Plan 2025/26 to 2028/29

Revenue Funding

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

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

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

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

Capital Programme

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

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

Table 3: Capital programme 2025/26

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

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

Table 4: Funding sources for capital programme 2025/26

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

Future Efficiency and Savings Plans

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

Inflationary Pressures

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

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

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

Devolution

The English Devolution White Paper was published on 16 December 2024 and sets out the government's intention to widen mayoral Devolution across England by legislating to introduce three tiers of Strategic Authorities – Foundation, Mayoral, and Established Mayoral. This is known as the Devolution Framework and it is anticipated that the framework is to be implemented through the introduction of an English Devolution Bill.

Another announcement followed in February 2025 within which the government confirmed its intention to create a Mayoral Combined County Authority (MCCA) across Norfolk and Suffolk, with a single directly elected Mayor.

The government have stated their intent that the English Devolution Bill would confer the powers and functions of the Devolution Framework to Mayoral Combined County Authorities and that the mayors would be accountable for the exercise of the Police and Crime Commissioner functions *where geographical boundaries align*. The geographical boundaries of the PCC functions in Suffolk do not align with the proposed mayoral boundaries as the MCCA would cover both Norfolk and Suffolk.

Further clarification on whether a Norfolk and Suffolk mayor could assume PCC functions is anticipated and if the devolution process proceeds it is expected that the Home Secretary will outline a timetable for the transfer of

PCC functions, which will also depend on the passage of the English Devolution Bill through Parliament and its receipt of Royal Assent.

The potential for future governance change does not impact the going concern basis of the accounts as, whilst the functions and financial responsibilities of the PCC for Suffolk could potentially be transferred, the statutory functions and responsibilities of the PCC would continue under a Mayoral Combined County Authority. Management of the PCC's office will continue to monitor developments in consultation with local authority colleagues and other advisors. Updates will be reflected in future accounts as more information becomes available.

7. Basis of Preparation

Going Concern

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

Explanation of financial statements

This document contains two sets of accounts:

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

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

- **The Comprehensive Income and Expenditure Statement** shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The PCC raises taxation to cover expenditure in accordance with regulations and this will be different from the accounting cost. Adjustments made between the accounting and funding bases are shown in the Movement in Reserves Statement and the associated notes to the financial statements.
- **The Balance Sheet** shows the value as at the balance sheet date of the assets and liabilities recognised by the Suffolk PCC Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves. These are reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use, for example, the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt. The second category of reserves are unusable reserves, which the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, for example the Revaluation Reserve, where amounts would only become available to provide services if the assets are sold and the revaluation gains are realised; and reserves that hold accounting timing differences.
- **The Movement in Reserves Statement** shows the movement in the year on the different reserves held by the Group, analysed into usable and unusable reserves. The surplus or deficit on the Provision of

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

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

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

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

Colette Batson
Chief Finance Officer

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

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

(i) Details within the Police Pension Fund Account Statement

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

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

Balance Sheet as at 31 March 2025

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

(ii) Details within the Movement in Reserves Statement

These unaudited financial statements were issued on 30 June 2025.

Colette Batson

Chief Finance Officer PCC

30 June 2025

Movement in Reserves Statement

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

(iii) Details in Comprehensive Income and Expenditure Statement

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

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

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

Cash flow Statement for the year ended 31 March 2025

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

(iv) Details in Comprehensive Income and Expenditure Statement

Expenditure and Funding Analysis

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

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

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

Notes to the Financial Statements

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

1. Accounting Policies

General principles

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

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

Cost recognition and intra-group adjustment

Refer to Note 5 for further details.

Recognition of working capital

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

Accruals of income and expenditure

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

Cash and cash equivalents

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

Debtors and creditors

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

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

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

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

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

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

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

Property, plant and equipment

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

Recognition

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

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

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

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

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

<u>Impairment</u>

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

Where impairment losses are identified, they are accounted for in the following way:

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

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

<u>Depreciation</u>

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

Depreciation is calculated on the following bases:

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

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

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

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

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

<u>Disposals and Non-Current Assets Held for Sale</u>

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

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

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

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

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

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

Fair Value Measurement

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

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

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

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

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

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

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

Intangible assets

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

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

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost.

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

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

Council Tax

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

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

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

Employee benefits

Benefits payable during employment

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

Termination benefits

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

Post-employment benefits

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

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

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

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

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

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

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

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

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

<u>Discretionary Benefits</u>

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

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

Events after the reporting period

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

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

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

Financial Instruments

<u>Financial Liabilities</u>

Financial liabilities are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

Financial Assets

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

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

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

Government grants and contributions

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

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

Amounts recognised as due to the Group are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

Investment policy

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

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

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

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

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

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

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

Joint operations and joint assets

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

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

Leases

The PCC as lessee

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

Initial measurement

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

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

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

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

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

Subsequent measurement

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

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

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

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

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

Low value and short lease exemption

As permitted by the Code, the PCC excludes leases:

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

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

Lease expenditure

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

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MiRS.

The PCC as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Where the PCC grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the PCC's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the MiRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the MiRS. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Operating Leases

Where the PCC grants an operating lease over a property or an item of plant and equipment, the asset is retained in the Balance Sheet. Rental income is credited to the net cost of policing line in the CIES. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI scheme, and for the Police Investigation Centres (PICs) ownership of the property, plant and equipment will pass to the Group at the end of the contracts for no additional charge, the Group carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. The liability was written down by the initial contribution.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Group.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the Chief Constable's net cost of policing in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Variable lease payments – Any payments that are based on performance, volume or usage are charged to the cost of services in the CIES.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – these are included as part of the unitary payment such that the supplier absorbs any peaks and troughs throughout the life of the contract.

PFI arrangements are now accounted under *IFRS 16*. Under this standard there is a requirement to remeasure the associated PFI liability where unitary charge increases are linked to a specific index. However, indexed increases to the PCC's unitary charge are only linked to the service element of the arrangements and not to the property element. As such there is no requirement to remeasure the value of the PFI liability on the balance sheet for current arrangements. The PFI assets are however revalued in accordance with the property revaluation policy.

Provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Group may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service line.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Group settles the obligation.

The insurance claims provision is maintained to meet the liabilities for claims received but for which the timing and/or the amount of the liability is uncertain. The Group self-insures part of the third party, motor and employer's liability risks. External insurers provide cover for large individual claims and to cap the total claims which have to be met from the provision in any insurance year. Charges are made to revenue to cover the external premiums and the estimated liabilities which will not be met by external insurers. Liability claims may be received several years after the event and can take many years to settle.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Reserves

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund balance in the MiRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund balance in the MiRS so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC – these reserves are explained in the following paragraphs:

Revaluation Reserve

This reserve records the accumulated gains on non-current assets arising from increases in value, as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value). The reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred, only because the asset has been revalued. The balance on this reserve for assets disposed is written out to the Capital Adjustment Account. The overall balance on this reserve thus represents the amount by which the current value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historic cost.

Capital Adjustment Account

This account accumulates (on the debit side) the write-down of the historical costs of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The balance on this account represents timing differences between the amount of the historical cost of the non-current assets that have been consumed and the amount that has been financed in accordance with statutory requirements.

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 PCC accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the PCC and Chief Constable make employer’s contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the PCC and Chief Constable have set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Value Added Tax

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Group's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable.

Going Concern

The Code stipulates that the financial statements of local authorities that can only be discontinued under statutory prescription shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, in order to assist External Audit with establishing their going concern conclusion, a review of going concern is carried out by management. Refer to section 7 of the narrative report and Note 30 for detail of this review.

2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Financial Statements have been prepared in accordance with the Code, which is based on International Financial Reporting Standards (IFRSs).

The amendments required to be adopted under the 2025/26 Code are:

- **IAS 21 *The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)*** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 *Insurance Contracts*** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change.

Application of the Standards referred to above, as adopted by the Code, is required by 1 April 2025, and these standards will be initially adopted as at 1 April 2025, where applicable. The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

It is not expected that the adoption of any of the standards listed above will have a material effect on the 2025/26 financial statements.

3. Critical Judgements in Applying Accounting Policies

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

- The budget is set by the PCC and provides the Chief Constable with the authority to incur expenditure. There are still uncertainties about the future funding beyond 2025/26 in regard of what the PCC will receive from the government and limitations around the precept. The PCC and the Chief Constable are working together to mitigate the impact of the funding gap emerging over the period of the Medium-Term Financial Plan, the impact of which will be realised in the budget set by the PCC.

- The allocation of transactions and balances between the PCC and the Chief Constable has been set out in the Narrative Report to these accounts.

- The PCC has taken over the obligations arising from a PFI contract entered into by the former Police Authority. The 30 year PFI contract was for the provision of newly built Police Investigation Centres, title to the assets will be retained by the PCCs of both Norfolk and Suffolk on completion of the contract. Associated assets have been capitalised and treated “on Balance Sheet” as required by IFRS.

- The PCC has a significant number of assets including those under PFI arrangements. The PCC has the responsibility, control and risk in terms of the provision of those assets. Consequently, a critical judgement has been made to show any connected grant funding (e.g. for PFI), and the capital and financing costs of the provision of those assets in the PCC accounts. As the Chief Constable utilises the assets on a day-to-day basis, the officers and staff of the Chief Constable have responsibility for the use of the consumables, heating and lighting and so forth. Consequently, these costs are shown in the Chief Constable accounts including the service charges element of the PFI.

- Costs of pension arrangements require estimates assessed by independent qualified actuaries regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS19 reporting are the responsibility of the Group as advised by the actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.

- In respect of the LGPS police staff pension costs, separate actuarial valuations have been carried out to provide the accounting entries for the PCC and the Chief Constable in 2024/25 and are reflected in the financial statements.

- Under accounting standards, an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised in the accounts to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions to the plan. However, as the Employer has no unconditional right to a refund from the Fund, there is therefore no economic benefit available as a refund, so a judgment has been made to limit the surplus recognised in the accounts to the present value of reductions in future contributions.

- Establishing the valuation of operational properties by monitoring the useful life of assets to identify where any changes to the depreciation charge are required during the year. Depreciation is a calculation based on asset value and expected useful life of the assets. If the useful life of an asset is reduced then the depreciation charge to the CIES will increase.

- To improve the efficient use of publicly owned buildings, the PCC and other local government bodies engage in the shared use of key sites. This includes fire stations, where sites have been redeveloped to accommodate police stations and offices. The PCC has made significant financial contributions to these development projects. Rights to access the land and shared areas are granted through leasehold arrangements. Many of the leases contain options to break by both parties at regular dates throughout the lease terms and as such were historically classified as operating leases for accounting purposes, although are now on Balance Sheet following the implementation of IFRS 16. The capital contributions made by the PCC are however protected by clauses that require the lessor to repay to the lessee the capital contributions made, less depreciation, in the event of the lessor issuing a break notice. The PCC therefore receives the full benefit of the contributions made, either by use of the asset throughout the full term of the lease or by way of a repayment of the contribution made. As such the contributions to the redevelopments made are de facto assets and have been capitalised and depreciated over the full lease term as there is no current intention by the PCC to issue an early option to break notice. As the value and associated cash flow of these assets are linked to the depreciated historic cost, the valuers consider depreciated historic cost as an appropriate proxy for current value.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the PCC with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £92.2m.

The value of the LGPS pension fund assets is calculated by the actuary as part of the formal triennial valuation process, and rolled forward to the balance sheet date, allowing for any movements in the year. These movements include investment returns, which may be estimated where necessary. However, the figure for 2024/25 incorporates actual returns for the period 1 April 2024 to 31 March 2025.

Property, Plant and Equipment

The value of land and property together with the asset lives are obtained from the PCC's appointed external valuers. The PCC relies upon the experience and knowledge of the valuer using the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual to provide a fair value under IAS16. The carrying value of land and buildings (excluding assets under construction, ROU assets, surplus assets and assets held for sale) at the Balance Sheet date was as follows:

Land £15.4m

Buildings £42.9m

Property valuations are prepared on a five year rolling basis, however, to ensure there is no material difference between the carrying value and current value, major assets are valued more frequently.

Properties are not held for profit or sale, nor are they held as security against financial borrowing, therefore valuation uncertainty around estimates does not result in significant risk to the Constabulary.

Although the valuation estimate is based on the valuer's professional judgement, the following table shows the impact of an overall percentage fall in asset valuations on the balance sheet and CIES.

	Impact of a percentage drop in asset valuations		
	1%	**10%**	**20%**
	£000	**£000**	**£000**
Change in the carrying value of assets	(583)	(5,833)	(11,666)
Change in the revaluation reserve	(500)	(4,945)	(9,865)
Additional charge to Other Comprehensive Income and Expenditure in the CIES	83	888	1,800

<u>Insurance Provisions</u>

Insurance provisions are made where there is an expected financial settlement or an incurrence of cost. Estimations are prudently assessed based on information to hand at 31 March 2025. In many cases, actual costs turn out less than the carrying provision, however in some cases settlement and costs turn out to be higher than the carrying provision as more information regarding an event becomes available.

5. Intra-group Funding Arrangement Between the PCC and Chief Constable

The background and principles that underpin the accounting arrangements and create the need for an intra-group adjustment have been set out in the Narrative Report.

The PCC received all funding on behalf of the Group; at no time, under the current arrangements, does the Chief Constable hold any cash or reserves. However, it is felt that to accurately represent the substance of the financial impact of the day-to-day control exercised by the Chief Constable over policing it is necessary to capture the costs associated with this activity in the Chief Constable's CIES. A consequence of this is that the employment liabilities associated with police officers and police staff are also contained in the Chief Constable's CIES and the accumulative balances are held on the Chief Constable's Balance Sheet. All other assets and liabilities are held on the PCC's Balance Sheet.

Whilst no actual cash changes hands the PCC has undertaken to fund the resources consumed by the Chief Constable. The PCC effectively makes all payments from the Police Fund. To reflect this position in the Accounts, funding from the PCC offsets cost of service expenditure contained in the Chief Constable's CIES. This intra-group adjustment is mirrored in the PCC's CIES. The financial impact associated with the costs of the employment liabilities are carried on the balance sheet in accordance with the Code and added to the carrying value of the pensions liability and accumulated absences liability.

6. Notes to the Expenditure and Funding Analysis

Adjustments between the CIES and the General Fund – Group

Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2023/24 £000	Year Ended 31 March	Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2024/25 £000
-	(8,810)	(24)	(8,834)	Constabulary	-	(13,076)	(26)	(13,102)
6,225	21	-	6,246	Office of the PCC	4,718	5	-	4,724
-	-	-	-	PCC commissioning	-	-	-	-
6,225	**(8,789)**	**(24)**	**(2,588)**	**Net Cost of Police Services**	**4,718**	**(13,070)**	**(26)**	**(8,378)**
(6,040)	30,288	612	24,860	Other income and expenditure	(5,750)	32,738	(87)	26,901
185	**21,499**	**588**	**22,272**	**Difference between General Fund Deficit/(Surplus) & CIES Deficit/(Surplus)**	**(1,032)**	**19,668**	**(113)**	**18,523**

Adjustments between the CIES and the General Fund – PCC

Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2023/24 £000	Year Ended 31 March	Adjustment for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments 2024/25 £000
6,225	21	-	6,246	Office of the PCC	4,718	5	-	4,724
-	-	-	-	PCC commissioning	-	-	-	-
6,225	**21**	**-**	**6,246**	**Net Cost of Police Services**	**4,718**	**5**	**-**	**4,724**
(6,040)	(42)	612	(5,470)	Other income and expenditure	(5,750)	(71)	(87)	(5,908)
185	**(21)**	**612**	**775**	**Difference between General Fund Deficit/(Surplus) & CIES Deficit/(Surplus)**	**(1,032)**	**(66)**	**(87)**	**(1,184)**

Expenditure and Income Analysed by Nature

Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2023/24 £000	Total PCC 2023/24 £000		Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2024/25 £000	Total PCC 2024/25 £000
					Expenditure					
126,586	797	22	**127,405**	**819**	Employee benefits expenses	133,528	691	23	**134,243**	**714**
26,081	1,915	3,279	**31,275**	**5,194**	Other service expenditure	29,147	2,117	3,527	**34,791**	**5,644**
-	6,225	-	**6,225**	**6,225**	Depreciation, amortisation, impairment	-	4,718	-	**4,718**	**4,718**
49,218	(42)	-	**49,176**	**(42)**	Net pensions interest cost	52,319	(71)	-	**52,248**	**(71)**
-	2,677	-	**2,677**	**2,677**	Interest payments	-	2,158	-	**2,158**	**2,158**
-	140	-	**140**	**140**	Loss on the disposal of assets	-	-	-	**-**	**-**
201,885	**11,712**	**3,301**	**216,897**	**15,013**	**Total Expenditure**	**214,995**	**9,613**	**3,550**	**228,158**	**13,164**
					Income					
(8,240)	(103)	(5)	**(8,349)**	**(109)**	Fees, charges and other service income	(11,773)	(107)	(12)	**(11,892)**	**(119)**
-	(2,053)	-	**(2,053)**	**(2,053)**	Interest and investment income	-	(2,205)	-	**(2,205)**	**(2,205)**
			-	**-**	Gain on the disposal of assets		(144)		**(144)**	**(144)**
-	(69,294)	-	**(69,294)**	**(69,294)**	Income from council tax	-	(73,837)	-	**(73,837)**	**(73,837)**
(3,218)	(113,205)	(2,476)	**(118,899)**	**(115,681)**	Government grants and contributions	(6,318)	(118,274)	(2,698)	**(127,290)**	**(120,972)**
(11,458)	**(184,656)**	**(2,481)**	**(198,595)**	**(187,137)**	**Total Income**	**(18,091)**	**(194,567)**	**(2,710)**	**(215,369)**	**(197,278)**
190,426	**(172,944)**	**820**	**18,302**	**(172,124)**	**Deficit/(Surplus) on the Provision of Services**	**196,903**	**(184,954)**	**840**	**12,789**	**(184,114)**
				168,930	**Intra Group Funding (PCC Only)**					**177,196**
190,426	**(172,944)**	**820**	**18,302**	**(3,194)**	**Deficit/(Surplus) on the Provision of Services after Intra Group Funding**	**196,903**	**(184,954)**	**840**	**12,789**	**(6,918)**

7. Government Grants

The following Government grants and contributions were credited to the CIES during the year:

	Group		PCC	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Credited to Taxation and Non Specific Grant Income				
General police grant	54,387	50,322	54,387	50,322
Council tax support grant	4,891	4,891	4,891	4,891
Council tax freeze grant	1,895	1,895	1,895	1,895
Council tax income compensation grant	-	-	-	-
Capital grants and contributions	422	661	422	661
MHCLG funding	28,061	27,496	28,061	27,496
Precepts	73,837	69,294	73,837	69,294
	163,494	**154,560**	**163,494**	**154,560**
Credited to Other Operating Expenditure				
Home Office contribution to police pensions	19,510	18,888	19,510	18,888
	19,510	**18,888**	**19,510**	**18,888**
Credited to Services				
Police incentivisation	386	262	-	-
Specific grant for police pension	3,972	1,163	-	-
PFI grant	2,733	2,733	2,733	2,733
Other specific grants	11,033	10,588	9,073	8,795
	18,124	**14,745**	**11,806**	**11,527**

Other specific grants credited to services for the Group include: £4.884m Operation Uplift, Police special grant – pay award £4.474m and a £1.7m Ministry of Justice Grant, the latter was wholly credited to services for the PCC.

Capital Grants and contributions includes both central and local government contributions.

8. Employees' Remuneration

The numbers of employees and senior police officers (at rank of Chief Superintendent and above at any point during the year) whose remuneration exceeded £50k in 2024/25 were as follows:

Group 2024/25	Group 2023/24	Remuneration	PCC 2024/25	PCC 2023/24
35	28	£50,000 - £54,999	-	2
15	11	£55,000 - £59,999	1	2
7	11	£60,000 - £64,999	1	-
9	2	£65,000 - £69,999	-	-
3	2	£70,000 - £74,999	-	1
1	-	£75,000 - £79,999	1	-
-	2	£80,000 - £84,999	-	-
3	3	£85,000 - £89,999	-	-
1	2	£90,000 - £94,999	1	-
3	1	£95,000 - £99,999	-	-
1	1	£100,000 - £104,999	-	-
2	-	£110,000 - £114,999	-	-
-	1	£115,000 - £119,999	-	-
-	2	£120,000 - £124,999	-	1
1	-	£125,000 - £129,999	-	-
-	1	£130,000 - £134,999	-	-
1	1	£140,000 - £144,999	-	-
1	-	£145,000 - £149,999	-	-
1	-	£170,000 - £174,999	-	-
-	1	£175,000 - £179,999	-	

"Remuneration" is defined, by regulation, as "all amounts paid to or receivable by an employee and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash."

In addition to the above the Accounts and Audit Regulations 2015 require a detailed disclosure of employees' remuneration for relevant police officers, those holding statutory office and other persons with a responsibility for management of the OPCC.

The officers listed in the following table are also included in the above banding disclosure note.

	Salaries Fees and Allowances £000	Employers Pension Contributions £000	Benefits in kind £000	Total £000
2024/25				
Position held				
Chief Constable - Rachel Kearton	175	60		235
Deputy Chief Constable	145	50	-	195
Assistant Chief Constable (from 24.6.24)	143	47	-	190
Temporary ACC (to 23.6.24)				
Temporary Assistant Chief Constable (to 11.7.24)	37	13		50
Temporary Assistant Chief Constable (from 12.12.24 to 13.1.25)	112	38		150
Assistant Chief Officer	126	22	-	148
Police and Crime Commissioner	73	14	-	87
Chief Executive PCC (from 3.3.25)	7	1	-	8
Acting Chief Executive (PCC) (to 2.3.25)	89	17	-	106
Chief Finance Officer (PCC) - 0.6 FTE	56	11	-	67
2023/24				
Position held				
Chief Constable - Rachel Kearton	175	49	-	224
Deputy Chief Constable	141	41	-	182
Temporary Assistant Chief Constable	134	35	-	169
Temporary Assistant Chief Constable	123	37	6	166
Temporary Assistant Chief Constable (11.9.23 to 18.12.23)	86	23	-	109
Assistant Chief Officer	118	22	-	140
Police and Crime Commissioner	73	15	-	88
Chief Executive (PCC) (to 31.3.24)	123	25	-	148
Chief Finance Officer (PCC) - 0.6 FTE (from 13.7.22)	58	12	-	70

During 2024/25 a chief officer from Norfolk Constabulary acted as an Assistant Chief Constable (ACC), Suffolk Constabulary contributed 43.5% towards the cost of this post.

During 2024/25 a Suffolk Officer acted as an Assistant Chief Constable for the ERSOU Collaboration, other participating forces contribute towards the cost of this post.

The Regulations also require disclosure of compensation for loss of employment and other payments to relevant police officers. No amounts were paid to the above officers in respect of these categories.

Exit Packages

The number of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below.

Exit Package Cost Band including Special Payments	Number of Compulsory Redundancies		Total Number of Exit Packages		Total Value of Exit Packages	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£000					£000	£000
0 - 20	1	3	1	3	7	25
20 - 40	3	1	3	1	106	22
40 - 60	2	-	2	-	115	-
60 - 80	1	-	1	-	63	-
80 - 100	-	1	-	1	-	93
	7	5	7	5	291	139

Actual expenditure in the year includes the differences between actual expenses paid and values accrued in 2023/24, including values where employees were projected to be made redundant but were subsequently found employment within the Constabulary.

9. Related Party Transactions

The PCC is required to disclose material transactions with bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC.

During 2024/25 there were no material related party transactions involving officers of the PCC or senior officers of the Constabulary, other than those included under employees remuneration set out in Note 8 of these financial statements. The PCC and other senior officers have been written to requesting details of any related party transactions and there are no disclosures.

Central Government has effective control over the general operations of the PCC, it is responsible for providing the statutory framework within which the PCC operates, provides the majority of its funding and prescribes the terms of many of the transactions that the PCC has with other parties. Income from central government is set out in Note 7 of these financial statements.

Norfolk and Suffolk Constabularies have implemented significant collaborative arrangements, these are fully disclosed in Note 10.

No other material transactions with related parties have been entered into except where disclosed elsewhere in the accounts.

10. Collaborative Arrangements

Local Collaboration

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

The Collaboration Panel for Norfolk and Suffolk, as described in the Scheme of Governance and Consent provides an opportunity for the counties' respective PCCs to consider issues of mutual interest and discharge the governance responsibilities of the PCCs. The agreed shared costs of fully collaborated units that arose during the year was as follows:

An element of County Policing was no longer joint from 1 July 2024.

	Business Support £000	Justice Services £000	Protective Services £000	County Policing £000	Total £000
2024/25					
Suffolk PCC	25,300	13,883	19,981	140	59,304
Norfolk PCC	32,861	18,032	25,952	182	77,026
Total shared running costs	**58,161**	**31,915**	**45,933**	**321**	**136,330**
2023/24					
Suffolk PCC	23,917	12,866	18,306	516	55,606
Norfolk PCC	30,939	16,644	23,680	668	71,931
Total shared running costs	**54,856**	**29,510**	**41,987**	**1,184**	**127,537**

Regional Collaboration

Collaboration within the region has been pursued for a number of years. Since April 2023, the six PCCs from the region have met annually as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specifies the formalities of the collaboration arrangements in relation to specific collaborations.

Since October 2015 the six police areas in the Region have been joined by Kent in the 7Force Strategic Collaboration Programme. This has been formalised in a collaboration agreement entered into between the PCCs and Chief Constables of the seven police areas. The agreement is for an indefinite duration.

The net expenditure incurred by each force in relation to ERSOU (Eastern Region Specialist Operation Unit) is as follows:

	Total 2024/25 £000	Total 2023/24 £000
Operating costs	39,214	34,649
Specific Home Office grant	(9,743)	(8,627)
Total deficit for the year	**29,471**	**26,022**
Contributions from forces:		
Bedfordshire	(3,114)	(2,774)
Cambridgeshire	(3,902)	(3,505)
Essex	(4,347)	(3,637)
Hertfordshire	(5,565)	(5,015)
Kent	(4,754)	(4,080)
Norfolk	(4,396)	(3,952)
Suffolk	(3,394)	(3,059)
Deficit for the year	**-**	**-**

7F Commercial Services

The business case to collaborate 7F Commercial Services was agreed at the Eastern Region Summit on 10 July 2018.

Since 2019/20, procurement services across the seven forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk have been collaborated to a single 7Force Procurement function. This is the first full seven force function to go live across the Eastern Region.

As a partnership of seven forces, this will create the second largest contracting body in police procurement nationally. This provides greater economies of scale and better presence and ‘buying power’ for value for money contracts in the market place.

The 7F Commercial Services vision is to enable the delivery of an effective Police service and provide support for victims of crime in the eastern region by procuring and managing a high quality, value for money supply chain.

The net expenditure incurred by each force is as follows:

	Total 2024/25 £000	Total 2023/24 £000
Operating costs	3,881	4,139
Contributions from forces:		
Bedfordshire	329	353
Cambridgeshire	415	448
Hertfordshire	589	879
Essex	838	639
Kent	887	927
Norfolk	466	504
Suffolk	359	390
	3,881	**4,139**

National Collaboration

National Police Air Service

West Yorkshire Police is currently the lead force for the National Police Air Service (NPAS), although they have now given notice of their intent to step down and a new lead is being sourced. During 2012/13 all owned airframes (including the one owned by the former Suffolk Police Authority) transferred to the ownership of the PCC for West Yorkshire while leased airframes remained in the ownership of the lessor but the lease costs transferred.

The PCCs retained ownership of all freehold airbases, but some leases for airbases were novated to the Commissioner for West Yorkshire.

Police staff engaged in provision of the service were employed by the PCC and police officers were seconded to West Yorkshire Police. Expenditure relating to NPAS incurred by forces will be charged to West Yorkshire and they will charge forces for the service. The Home Office provides a capital grant to cover the capital investment required.

The service is governed by a section 22A collaboration agreement and is under the control of a strategic board made up of Commissioners and Chief Constables from each region. The Board determines the budget and the charging policy and monitors performance.

During the year £0.227m (2023/24 £0.334m) was payable to West Yorkshire PCC in respect of the NPAS service provided. At 31 March 2025, West Yorkshire PCC owed Suffolk PCC £nil (31 March 2024 £0.040m) in respect of the Suffolk airframe.

11. Council Tax

The Suffolk district and borough councils are required to collect the amount of council tax determined by the PCC for policing the county. In 2024/25 the precept, including the estimated 2023/24 collection fund surplus, was paid to the PCC during the year and amounted to £73.8m distributed as shown below. The Code requires that Council Tax income included in the CIES for the year should be prepared on an accruals basis. The cash received from the billing authorities is therefore adjusted for the PCC's share of the outturn opening and closing balances on the Collection Fund. These adjustments are however then taken to the Collection Fund Adjustment Account and included as a reconciling item in the MiRS to ensure that only the statutory amount is credited to the General Fund.

The figures credited to the CIES are broken down as follows:

2023/24 £000		Received from Billing Authority £000	Outturn surplus/(deficit) on Collection Fund at 31.3.24 £000	31.3.25 £000	Total 2024/25 £000
9,304	Babergh District Council	9,890	(19)	(9)	9,900
23,766	East Suffolk Council	25,225	64	123	25,283
10,277	Ipswich Borough Council	10,860	(43)	(30)	10,874
10,598	Mid Suffolk District Council	11,472	75	18	11,414
15,349	West Suffolk Council	16,304	175	236	16,365
69,294		**73,750**	**252**	**338**	**73,837**

The Code also requires the PCC to account for its share of net council tax arrears and prepayments within the Balance Sheet. This is offset within the Balance Sheet by an associated balance that reflects the difference between the net attributable share of cash received by the billing authorities from council tax debtors / creditors and the amounts paid to the PCC. The amounts owed to / from billing authorities in respect of council tax at the year-end were as follows:

Balance at 31.3.24 £000		Collection Fund Asset/ (Liability) £000	Net Arrears £000	Prepayments £000	Balance at 31.3.25 £000
175	Babergh District Council	9	241	(82)	168
(309)	East Suffolk Council	(123)	449	(687)	(361)
580	Ipswich Borough Council	30	787	(151)	666
44	Mid Suffolk District Council	(18)	220	(105)	97
(13)	West Suffolk Council	(236)	628	(398)	(7)
478		**(338)**	**2,324**	**(1,423)**	**562**

12. External Audit Fees

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

2023/24 £000		2024/25 £000
	The Group has incurred the following costs in relation to the audit of the Statement of Accounts:	
92	The PCC for Suffolk	100
37	The PCC for Suffolk scale fee variation 2021/22	-
-	The PCC for Suffolk scale fee variation 2022/23	11
45	The Chief Constable of Suffolk	51
31	The Chief Constable of Suffolk scale fee variation 2021/22	-
-	The Chief Constable of Suffolk scale fee variation 2022/23	6
205		**167**

The PCC fees payable in respect of external audit services are identified separately in the above table.

No fees have been payable to the external auditors for non-audit work.

13. Non-Current Assets

Property, Plant and Equipment

Land and buildings £000	Vehicles plant and equipment £000	Assets under construction £000	Surplus assets £000	Total £000		Land and buildings £000	Vehicles plant and equipment £000	Assets under construction £000	Surplus assets £000	Total £000
	Movements in 2023/24						Movements in 2024/25			
					Historic cost or revaluation					
57,426	25,678	183	600	83,888	Balance at 1 April	56,227	27,402	-	600	84,229
(495)	-	(326)	-	(821)	Reclassifications	(724)	-	-	(375)	(1,099)
526	3,714	142	-	4,382	Additions	521	3,943	-	-	4,464
-	(1,991)	-	-	(1,991)	Derecognition - disposals	(286)	(6,131)	-	-	(6,417)
(1,230)	-	-	-	(1,230)	Revaluation gains/(losses)	5,157	-	-	(225)	4,932
56,227	**27,402**	**-**	**600**	**84,229**	**Balance at 31 March**	**60,896**	**25,214**	**-**	**-**	**86,110**
					Depreciation and impairments					
2,497	15,336	-	-	17,833	Balance at 1 April	2,346	16,632	-	-	18,978
(1,773)	-	-	-	(1,773)	Depreciation written out on revaulation	(977)	-	-	-	(977)
-	(1,732)	-	-	(1,732)	Derecognition - disposals	(286)	(5,981)	-	-	(6,266)
1,622	3,028	-	-	4,649	Depreciation for the year	1,522	3,032	-	-	4,554
2,346	**16,632**	**-**	**-**	**18,978**	**Balance at 31 March**	**2,568**	**13,684**	**-**	**-**	**16,252**
54,930	10,342	183	600	66,055	Opening net book value	53,882	10,770	-	600	65,252
53,882	**10,770**	**-**	**600**	**65,252**	**Closing net book value**	**58,328**	**11,530**	**-**	**-**	**69,858**
					Revaluation movements above are reflected in the CIES as follows:					
				839	Charged/(credited) to the Net Cost of Services					(749)
				(1,382)	Charged/(credited) to Other Comprehensive Income and Expenditure					(5,161)
				(543)						**(5,910)**

Assets under construction are assets that are not yet operationally complete.

Included in land and buildings is land at Bury St Edmunds on which a Police Investigation Centre (PIC) has been built. Although the PCC has legal title to the land, it only owns 70% of the beneficial interest in the land, the remaining 30% is owned by Norfolk PCC, who is co-occupier of the centre. Therefore only 70% of the current value of the land is included in the table above, amounting to £970k. The PCC also paid 50% of the cost of land purchased by Norfolk PCC at Great Yarmouth, the current value of this land in the balance sheet amounts to £315k. In addition, the PCC owns 68.9% of the freehold interest in the Stowmarket Hub, Suffolk County Council owns the remaining share. The PCC's share of the value of the site at the year-end was £1.041m.

The depreciation and amortisation policy is set out in Note 1. Assets have been depreciated on a straight-line basis over their economic useful lives.

Intangible Assets

Software licences and IT systems £000 31 March 2024		Software licences and IT systems £000 31 March 2025
	Historic cost or revaluation	
8,524	Balance at 1 April	9,490
326	Reclassifications	-
641	Additions	428
-	Derecognition - disposals	(2,571)
9,490	**Balance at 31 March**	**7,347**
	Amortisation	
7,260	Balance at 1 April	7,997
737	Amortisation for the year	558
-	Derecognition - disposals	(2,571)
7,997	**Balance at 31 March**	**5,983**
1,264	Opening net book value	1,493
1,493	**Closing net book value**	**1,363**

Valuations

Land and buildings

The freehold and leasehold properties of the PCC's property portfolio are individually valued as part of a rolling 5 year programme. The valuations are carried out by the PCC's professional advisors Newmark. Newmark are property consultants, and the valuations are in accordance with their appraisal and valuation manual. Their valuer is a qualified member of the Royal Institute of Chartered Surveyors (RICS).

In order to calculate buildings depreciation the valuers have provided separate valuations for the land and building elements of each property valuation. The valuers also provide an estimate of the remaining economic useful life of the assets. They are also asked to carry out an annual desktop assessment of the remaining properties on which no formal valuation was carried out in the year, reporting if there is a material movement on asset values in the year.

Plant and machinery which are part of the building or property (for example, central heating systems) have been included in valuations. This is in accordance with appendices to Practice Statements of the RICS appraisal and valuation manual. Moveable plant, machinery, fixtures and fittings, which do not form part of the building, have been excluded from the valuations of land and buildings.

Non specialised operational properties were valued on the basis of existing use value (EUV). Specialised operational properties should also be valued on an EUV basis, or where this could not be assessed because there was no market for the subject asset, they were valued on a depreciated replacement cost basis.

Vehicles, Plant and Equipment and Software Licences

Vehicles, plant and equipment and software licences are valued at depreciated historic cost as a proxy for current value.

The breakdown of the property, plant and equipment current value by valuation basis at the year-end is as follows:

	Other land and buildings £000	Vehicles plant and equipment £000	Total £000
Carried at historical cost	2,765	11,530	14,295
Valued at fair value during year ended:			
31 March 2025	23,128	-	23,128
31 March 2024	29,610	-	29,610
31 March 2023	1,640	-	1,640
31 March 2022	871	-	871
31 March 2021	314	-	314
Balance at 31 March 2025	**58,328**	**11,530**	**69,858**

14. Financing of Capital Expenditure

Capital financing is accounted for on an accruals basis. The sources of capital finance in 2024/25 are set out below.

2023/24 £000		2024/25 £000
34,847	Opening capital financing requirement	33,762
	Capital investment	
641	Intangible fixed assets	428
4,240	Operational assets	4,464
142	Non operational assets	-
-	Right of use assets	1,910
	Sources of finance	
-	Capital receipts applied	(829)
(590)	Government grants and other contributions	(494)
(4,434)	Direct revenue contributions	(3,815)
(1,085)	Minimum Revenue Provision	(1,369)
33,762	**Closing capital financing requirement**	**34,056**
	Explanation of movements in year	
(1,085)	Increase/(decrease) in underlying need to borrow	294
(1,085)	**Increase/(decrease) in capital financing requirement**	**294**

The Minimum Revenue Provision (MRP) is a mechanism to set aside revenue funds for the redemption of debt. The Local Authorities (Capital Finance and Accounting) Regulations 2015 are issued under Section 21 of the Local Government Act 2003 and now allow authorities a variety of options in calculating their MRP. The options chosen were that MRP calculated using Option 2 be used for capital expenditure up to and including 31 March 2008 and Option 3 for all capital expenditure thereafter using the equal instalment method until 2018/19 and the annuity method from 2019/20. Option 3 results in MRP charged over the assets remaining useful life. Accounting for PFIs and Right of Use Leases require that on balance sheet assets are also funded through MRP, the amount charged is equivalent to the capital element of the liability repaid during the year. The total amount charged to MRP in 2024/25 was £1,369k (2023/24 - £1,085k).

15. Private Finance Initiative

On 23 February 2010 Norfolk and Suffolk Police Authorities signed a 30 year PFI contract to construct and operate six Police Investigation Centres (PICs) within the two counties. Three of the PICs are shared, two between Norfolk and Suffolk and one between Norfolk and Cambridgeshire. In addition Norfolk operates a further two sites and Suffolk a further one. The land percentage splits on the Norfolk and Suffolk shared sites and the associated land values are disclosed in Note 13.

Norfolk and Suffolk PCCs are committed to making payments under the contract for the financial years 2010/11 to 2040/41. The actual payment split between the two counties will depend on site allocation and associated service delivery. The first PIC became operational on 28 February 2011 at Aylsham, Norfolk. The remaining PICs became operational in 2011/12.

Under the contract the PCC shares in the benefits and obligations arising from the contractual assets on a pre-determined percentage based on the number of cells assigned to each force. A summary of the sites, their initial contract capital values and the respective PCC interest in each site is shown in the adjacent table:

			Capital Contract	Historic Cost in Suffolk	
Sites and opening dates	**Norfolk Cells**	**Suffolk Cells**	**Value £000**	**31.3.25 £000**	**31.3.24 £000**
Aylsham - 28.2.11	8	-	6,967	-	-
Wymondham - 4.4.11	30	-	11,398	-	-
Kings Lynn - 25.4.11	24	-	10,749	-	-
Ipswich - 6.6.11	-	30	12,012	12,012	12,012
Bury St Edmunds - 4.7.11	8	16	10,621	7,081	7,081
Gt Yarmouth - 7.11.11	15	15	12,680	6,340	6,340
	85	**61**	**64,427**	**25,433**	**25,433**

The PCC makes an agreed payment each year, which can be reduced if the contractor fails to meet availability and performance standards in any one year but which is otherwise fixed, however 31.5% of the charge relating to revenue services is increased annually by inflation (RPIX). Suffolk's share of the estimated payments remaining to be made under the PFI contract at 31 March 2025 (excluding availability / performance deductions) are shown in the adjacent table:

	Revenue Services £000	Capital Payments £000	Interest £000	Total £000
Payable in 2025/26	1,949	357	1,771	4,077
Payable within two to five years	7,211	2,871	6,663	16,745
Payable within six to ten years	10,443	5,018	6,537	21,998
Payable within eleven to fifteen years	10,593	9,271	3,464	23,329
Payable within sixteen to twenty years	2,868	1,437	123	4,428
	33,066	**18,954**	**18,558**	**70,577**

	2024/25 £000	2023/24 £000
Balance outstanding at the beginning of the year	19,632	20,340
Capital repayments during the year	(678)	(708)
Balance outstanding at year end	**18,954**	**19,632**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital remains to be reimbursed. The movement in the capital liability on the Suffolk PCC Balance Sheet during the year is per the table opposite.

The net book value of the assets capitalised as part of the PFI contract is per the adjacent table:

	2024/25 £000	2023/24 £000
Net book value at the beginning of the year	25,218	25,007
Depreciation during the year	(873)	(958)
Revaluations during the year	-	1,169
Net book value at the end of the year	**24,345**	**25,218**

16. Retirement Benefits

Participation in pension schemes

Pension and other benefits are available to all PCC and Constabulary personnel under the requirements of statutory regulations. Four defined benefit pension schemes are operated:

a) The Local Government Pension Scheme (LGPS) for PCC and Constabulary police staff, administered by Suffolk County Council – this is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pension liabilities with investment assets.

   From April 2014 the LGPS changed to a career average defined benefit scheme, so that benefits accrued are worked out using the employee's pay each scheme year rather than the final salary. This applies to all membership which builds up from 1 April 2014, but all pensions in payment or built up before April 2014 are protected. Employee contributions are determined by reference to actual pensionable pay and are tiered between 5.5% and 12.5%.

b) The Police Pension Scheme (PPS) for police officers who joined before April 2006 is now closed and all active members have been transferred to the CARE scheme.

c) The New Police Pension Scheme (NPPS) for police officers who either joined from April 2006 or transferred from the PPS. is now closed and all active members have been transferred to the CARE scheme.

d) The Police Pension 2015 Scheme for police officers, is a Career Average Revalued Earnings (CARE) scheme, for those who either joined from April 2015 or transferred from the PPS or the NPPS. The employee contributions are 12.44%-13.78% of salary and the Normal Pension Age is 60 although there are protections for eligible officers to retire earlier. Contribution rates are dependent on salary.

All police pension schemes are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet pension liabilities. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department. The actuarial valuation has set the employer contribution rate for all three police pension schemes from 1 April 2024 as 35.3% of pensionable pay. A pensions top-up grant from the Home Office is received which funds contributions to a level of 21.3% and in 2024/25 a specific grant of £4.0m was received to part fund the cost of the recent change in contribution rates. The CIES meets the costs of injury awards and the capital value of ill-health benefits.

The PCC is also required to maintain a Police Pension Fund Account. Employer and employee contributions are credited to the account together with the capital value of ill-health retirements and transfer values received. Pensions and other benefits (except injury awards) and transfer values paid are charged to this account. If the account is in deficit at 31 March in any year, the Home Office pays a top-up grant to partially cover it. If there is a surplus on the account, then that has to be paid to the Home Office.

Transactions relating to post-employment benefits

The cost of retirement benefits are recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so the actuarial cost of retirement is reversed out of the General Fund in the MiRS.

The note below contains details of the Group's operation of the Local Government Pension Scheme (administered by Suffolk County Council) and the Police Pension Schemes in providing police staff and police officers with retirement benefits. In addition, the Group has arrangements for the payment of discretionary benefits to certain retired employees outside of the provisions of the schemes.

The following transactions have been made in the CIES and the General Fund via the MiRS during the year:

	Group				PCC	
	LGPS		Police Pension Schemes		LGPS	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Comprehensive Income and Expenditure Statement						
Cost of services						
Current service costs	6,496	6,890	9,530	9,260	110	142
Past service costs	37	8	-	(10)	-	-
Financing and investment income and expenditure						
Net interest expense (including asset ceiling interest)	(62)	(1,484)	52,310	50,660	(71)	(42)
Total post employment benefit charges to the Deficit on the Provision of Service	**6,471**	**5,414**	**61,840**	**59,910**	**39**	**100**
Other post employment benefit charged to the CIES						
Return on plan assets (excluding the amount included in the net interest expense)	(1,237)	(20,271)	-	-	(33)	(497)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(380)	(1,355)	(1,790)	-	(9)	(30)
- Actuarial (gains)/losses arising from changes in financial assumptions	(39,621)	(14,717)	(128,810)	(22,430)	(758)	(226)
- Other (including asset ceiling adjustment)	43,461	68,064	(545)	12,515	2,366	156
	2,223	31,721	(131,145)	(9,915)	1,566	(597)
Total post employment benefit charged to the CIES	**8,694**	**37,135**	**(69,305)**	**49,995**	**1,605**	**(497)**
Movement in Reserves Statement (MIRS):						
Reversal of net charges made to the CIES for post employment benefits in accordance with the Code	**(8,694)**	**(37,135)**	**69,305**	**(49,995)**	**(1,605)**	**497**
Actual amount charged against the General Fund Balance for pensions in the year:						
Employers' contributions charged to the general fund	7,269	6,940	41,375	36,885	105	121
Retirement benefits payable to pensioners	(6,021)	(6,101)	(48,965)	(44,015)	(189)	(448)

Assets and liabilities in relation to retirement benefits

	Group						PCC	
	Local Government Pension Scheme		Police Pension Schemes		Total Pension Schemes		Local Government Pension Scheme	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Present value of liabilities	(189,720)	(218,215)	(1,006,540)	(1,117,220)	(1,196,260)	(1,335,435)	(4,605)	(5,208)
Fair value of plan assets	300,438	281,932	-	-	300,438	281,932	7,024	6,725
Sub total	110,718	63,717	(1,006,540)	(1,117,220)	(895,822)	(1,053,503)	2,419	1,517
Interest on the effect of the asset ceiling	(3,041)	(62)	-	-	(3,041)	(62)	(1)	-
Changes in the effect of the asset ceiling	(108,080)	(62,633)	-	-	(108,080)	(62,633)	(2,418)	(17)
Other movements on the asset	(111,121)	(62,695)	-	-	(111,121)	(62,695)	(2,419)	(17)
Total net assets/(liabilities)	**(403)**	**1,022**	**(1,006,540)**	**(1,117,220)**	**(1,006,943)**	**(1,116,198)**	**(0)**	**1,500**

Reconciliation of present value of the scheme liabilities

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	218,215	214,347	1,117,220	1,104,110	5,208	5,338
Current service cost	6,496	6,890	9,530	9,260	110	142
Interest cost	10,642	10,251	52,310	50,660	249	247
Contributions by scheme participants	2,338	2,208	7,590	7,130	37	47
Remeasurement (gains) and losses:						
- Actuarial (gains)/losses arising from changes in financial assumptions	(39,621)	(14,717)	(128,810)	(22,430)	(758)	(226)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(380)	(1,355)	(1,790)	-	(9)	(30)
- Other	(1,986)	6,684	(545)	12,515	(43)	138
Past service costs	37	8	-	(10)	-	-
Benefits paid	(6,021)	(6,101)	(48,965)	(44,015)	(189)	(448)
Closing Balance at 31 March	**189,720**	**218,215**	**1,006,540**	**1,117,220**	**4,605**	**5,208**

Reconciliation of fair value of scheme assets

	Group				PCC	
	Funded Assets Local Government Pension Scheme		Unfunded Assets Police Pension Schemes		Funded Assets Local Government Pension Scheme	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Opening fair value of scheme assets at 1 April	281,932	246,872	-	-	6,725	6,220
Interest income	13,745	11,797	-	-	321	289
Remeasurement gain/(loss):						
- the return on plan assets, excluding the amount included in the net interest expense	1,237	20,271	-	-	33	497
Other	(62)	(55)	-	-	(8)	(1)
Contributions from employer	7,269	6,940	41,375	36,885	105	121
Contributions from employees into the scheme	2,338	2,208	7,590	7,130	37	47
Benefits paid	(6,021)	(6,101)	(48,965)	(44,015)	(189)	(448)
Closing fair value of scheme assets at 31 March	**300,438**	**281,932**	**-**	**-**	**7,024**	**6,725**

The total net pensions liabilities of £1,007m represent the long run commitments in respect of retirement benefits and results in the balance sheet showing net overall liabilities of £0.931m. However, the financial position of the PCC remains sound as the liabilities will be spread over many years as follows:

- The net asset on the local government scheme will be covered by contributions over the remaining working life of employees, as assessed by the scheme actuary.
- The net costs of police pensions which are the responsibility of the PCC will be covered by provision in the revenue budget and any costs above that level will be funded by the Home Office, under the change which came into effect from April 2006.

Actuarial losses on scheme assets represent the difference between the actual and expected return on assets, actuarial gains on scheme liabilities arise from more favourable financial assumptions. Due to the March 2022 triennial revaluation of the LGPS, there was a swing from the pension fund being in a net liability position to being in a net asset position which has resulted in an asset ceiling adjustment being made. IFRIC 14 states where there is a pension net asset an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions. As the employer has no unconditional right to a refund from the Fund, there is no economic benefit available as a refund therefore the PCC has made a judgement to limit the surplus recognised in the accounts to the present value of reductions in future contributions. This adjustment is shown in the asset and liabilities table above as other movements on the asset.

Suffolk County Council is required to have a funding strategy for elimination of deficits, under regulations effective from 1 April 2005. The strategy allows deficits to be cleared over periods up to 20 years. The Police Pension Schemes have no assets to cover their liabilities, the Group's share of the assets in the Suffolk LGPS are valued at fair value, principally market value for investments and consist of the categories in the following table.

	Group				PCC			
	Fair Value of Scheme Assets				Fair Value of Scheme Assets			
	31 March 2025		31 March 2024		31 March 2025		31 March 2024	
	£000	%	£000	%	£000	%	£000	%
Cash and cash equivalents	**2,312**	**0.77**	**2,914**	**1.03**	**54**	**0.65**	**70**	**1.03**
Bonds - by sector								
- Corporate	83,565		66,555		1,954		1,588	
Sub total Bonds	**83,565**	**27.81**	**66,555**	**23.61**	**1,954**	**23.35**	**1,588**	**23.61**
Property - by type								
- UK property	20,422		20,468		478		488	
- Overseas property	5,729		-		134		-	
Sub total property	**26,151**	**8.70**	**20,468**	**7.26**	**1,954**	**23.35**	**488**	**7.26**
Private equity - all:	**9,706**	**3.23**	**11,191**	**3.97**	**227**	**2.71**	**267**	**3.97**
Other investment funds:								
- Equities	139,942		130,122		3,272		3,104	
- Bonds	-		10,446		-		249	
- Hedge funds	-		4,646		-		111	
- Infrastructure	29,200		26,251		683		626	
- Other	9,563		9,341		224		223	
Sub total other investment funds	**178,705**	**59.48**	**180,805**	**64.13**	**4,178**	**49.94**	**4,313**	**64.13**
Total Assets	**300,438**	**100**	**281,932**	**100**	**8,366**	**100**	**6,725**	**100**

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Within the Police Schemes, the age profile of the active membership is not rising significantly, which means that the current service cost in future years will not rise significantly as a result of using the projected unit credit method.

The police schemes have been assessed by the Government Actuaries Department and the Suffolk LGPS liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. The actuary has confirmed that for police staff, there is no reason to believe that the age profile is rising significantly. The main assumptions used in their calculations are shown below.

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
Mortality assumptions:				
Longevity at 65 for current pensioners (60 for 2019/20 PPS)				
Men	21.5	21.6	21.9	21.9
Women	24.0	24.0	23.9	23.6
Longevity at 65 for future pensioners (60 for 2019/20 PPS)				
Men	22.2	22.3	23.3	23.6
Women	25.8	25.8	25.2	25.1
Rate of inflation (CPI)	2.75%	2.75%	2.70%	2.60%
Rate of increase in salaries	3.75%	3.75%	3.45%	3.85%
Rate of increase in pensions	2.75%	2.75%	2.70%	2.60%
Rate for discounting scheme liabilities	5.80%	4.85%	5.65%	4.75%
CARE revaluation rate	n/a	n/a	3.95%	3.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all others remain constant. The assumptions of longevity, for example, assume that the life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the following sensitivity analyses did not change from those used in the previous period.

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	Approximate Increase to Employers Liability %	Approximate Monetary Amount £000	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%	3,836	7.0%	73,000	2.0%	72
1 year increase in member life expectancy	4.0%	7,589	2.0%	22,000	4.0%	184
0.5% (PPS), 0.1% (LGPS) increase in the salary increase rate	0.0%	175	7.0%	8,000	0.0%	5
0.5% (PPS), 0.1% (LGPS) increase in the pension increase rate	2.0%	3,768	7.0%	72,000	2.0%	70

Unlawful discrimination

Police Pension Scheme

The protection provided to some members when PPS 2015 was introduced (resulting in members closest to their normal pension age remaining in their legacy scheme) was found to be age discriminatory, further to the case of McCloud / Sargeant.

The practical effects of McCloud / Sargeant are set out below.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) and The Police Pensions (Remediable Service) Regulations 2023 legislate for how the government will remedy the discrimination identified.

As a result, all members were moved to PPS 2015 from 1 April 2022, which ensures equal treatment from that point onwards. Eligible members have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022. When this choice can be made depends on whether or not the member has already retired and if not, when they intend to retire.

In addition, The Public Service Pensions Valuations and Employer Cost Cap Amendment Directions 2021 ensure there are no reductions to member benefits as a result of the 2016 cost control valuations.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period has led to an increase in the Police Pension Scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgement is measured through the pension valuation process, which determines employer and employee contribution rates.

The impact of an increase in annual pension payments arising from McCloud / Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police body to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year, the amount required to meet the deficit is then paid by the Secretary of State to the police body in the form of a central government top-up grant.

Employment Tribunal claims

Claimants have lodged claims for compensation for the discrimination within three groups; Aarons & Ors, Roderick & Ors and Slade & Ors. The compensation can be broken down in to two elements; injury to feelings and financial loss.

Aarons & Ors

The Government Legal Department (GLD) settled the injury to feelings claims for the claimants represented by Leigh Day on behalf of Chief Officers without seeking any financial contributions, which sets a helpful precedent. Pecuniary loss claims were stayed until the remedy was bought into force (from 1 October 2023), on the basis that the losses could not be calculated before then. As at 31 March 2025, the claims remain stayed, therefore no liability in respect of compensation claims is recognised in these accounts.

Roderick & Ors and Slade & Ors

These claims, represented by Penningtons, have been stayed since 2022 behind the Aarons claims, although it is hoped / anticipated that GLD will settle the injury to feelings claims as they did in Aarons. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Valuations

Scheme liabilities will be measured through the pension valuation process, which determines employer and employee contribution rates. The last LGPS valuation took place in 2022 and the police pension valuation took place in 2020 and was implemented in 2024/25.

Impact on the Group's Cashflow

The objectives of the LGPS scheme, as set out in the funding strategy statement, are to keep employers' contributions at as constant a rate as possible. The county council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. The minimum employer contributions payable over the next year for the PCC for Suffolk Group is 19.4% (19.4% in 2024/25). The last triennial valuation was dated 31 March 2022.

Estimated employer's contributions for 2025/26 amount to £7.057m on the LGPS and £39.616m on the Police schemes.

The weighted average duration of the defined benefit obligation for the LGPS is Group 21.0 years and PCC 16.0 years (Group 21.0 years, PCC 16.0 years, 2023/24) and for the Police schemes is 17.0 years (17.0 years, 2023/24).

17. Short Term Investments

Surplus cash is invested for periods of up to one year in accordance with the approved treasury management policy. At 31 March 2025 temporary lending comprised:

	31 March 2025 £000	31 March 2024 £000 Restated
Temporary cash deposits		
Banks	15,106	13,305
Local authorities	10,104	8,063
Total temporary lending	**25,210**	**21,369**
Represented by:		
Short-term investments	25,210	21,369

18. Debtors, Prepayments and Deferred Costs

	31 March 2025 £000	31 March 2024 £000
Short term debtors:		
Trade receivables	451	1,046
Prepayments & deferred costs	4,759	4,355
Accrued income	5,668	5,092
Debtors relating to local taxation	2,692	2,361
Other receivable amounts	2,151	2,427
Balance at 31 March	**15,721**	**15,281**

19. Cash and Cash Equivalents

	31 March 2025 £000	31 March 2024 £000
Imprest accounts	50	50
Bank current accounts	386	(1,022)
Instant access deposits with banks	1,789	4,782
Deposits with a maturity date of less than 3 months from acquisition	5,394	4,072
Balance at 31 March	**7,619**	**7,882**

The PCC holds £4.12m in trust under the Proceeds of Crime Act 2002 (2023/24 £4.25m). This money was seized and banked under powers granted by the act and will be paid over to the Government on the conclusion of each successful prosecution. If defendants are found not guilty or no charges are made, the money is returned to the person(s) it was seized from.

As the account is not a resource controlled by the PCC and from which no future economic benefits will flow, it is excluded from the PCC's Balance Sheet.

20. Assets Held for Sale

	Current		Non-current	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	495	-	-	-
Assets classified as held for sale:				
Property, plant and equipment	375	495	-	-
Assets sold	(495)	-	-	-
Balance at 31 March	**375**	**495**	**-**	**-**

21. Creditors

	Group		PCC	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Short term creditors:				
Trade payables	2,817	2,433	2,817	2,433
Accruals & receipts in advance	9,049	12,088	7,926	10,939
Creditors relating to local taxation	2,353	2,109	2,353	2,109
Other payables	4,248	4,126	4,248	4,126
Balance at 31 March	**18,467**	**20,756**	**17,344**	**19,607**

22. Reconciliation of Revenue Cashflow

Group 2023/24 £000	PCC 2023/24 £000		Group 2024/25 £000	PCC 2024/25 £000
		Adjustment for non-cash or cash equivalent items within deficit on provision of services:		
6,225	6,225	Depreciation and impairments	4,718	4,718
140	140	Profit and loss on disposal of fixed assets	(144)	(144)
21,499	(21)	Movements on pension liability	19,668	(66)
27,863	6,343		24,242	4,509
3,943	3,967	Increase/(decrease) in revenue creditors	(778)	(752)
975	975	Decrease/(increase) in revenue debtors	(301)	(301)
(8)	(8)	Decrease/(increase) in stocks	(9)	(9)
(274)	(274)	Increase/(decrease) in revenue provisions	235	235
4,636	4,660		(852)	(826)
32,500	**11,003**		**23,390**	**3,683**
		The cash flows for operating activities include:		
2,685	2,685	Interest paid and similar charges	2,165	2,165
(2,259)	(2,259)	Interest received	(2,035)	(2,035)

23. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2024 £000	Financing cash flows £000	Other Non-cash changes £000	31 March 2025 £000
Long-term borrowings	5,564	(406)	(19)	5,139
Short-term borrowings	514	-	12	526
ROU lease liabilities	-	173	(1,361)	(1,188)
On balance sheet PFI liabilities	19,632	(678)	-	18,954
Total liabilities from financing activities	**25,709**	**(911)**	**(1,367)**	**23,430**

24. Contingent Liabilities

MMI Ltd

The insurance company Municipal Mutual Insurance Limited (MMI) ceased trading in 1992 and ceased to write new or renew policies. Potentially claims can still be received as the company continues to settle outstanding liabilities. A scheme of arrangement is in place; however, this arrangement will not meet the full liability of all claims and a current levy of 25% will be chargeable in respect of successful claims on MMI's customers. There are currently no open claims against Suffolk Constabulary. As this point in time, it is not possible to calculate the full amount payable on future MMI claims.

Forensic Service Uncertainty

The validity of evidence provided by forensic testing companies to the police service is currently under investigation. It is reasonable to anticipate that some people may have been convicted of offences based on flawed data and that conviction will have had a significant impact on their personal circumstances. As a result, some kind of litigation is anticipated. At this point in time, it is not possible to assess the number of claims or the financial exposure arising from them.

Civil Claims

When civil claims are made against the Constabulary, where possible an assessment of potential liability is made, and an associated insurance provision is raised in the financial ledgers. Provisions are regularly reviewed and where necessary the provision updated. No provision is made until a claim has been received or if it is probable that a claim will be received and is measurable. There is therefore a general underlying contingent liability where incidents have taken place but where claims have yet to be received. In these circumstances it isn't possible to assess an estimate of economic outflow associated with claims yet to be received or any liability arising from statutory fines associated with these incidents.

Validity of Historic Amendments to Defined Benefit Pension Schemes

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment was subject to appeal, the Court of Appeal heard the arguments on 26 and 27 June 2024 and subsequently dismissed it.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the PCC does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in his financial statements.

25. Provisions

Insurance

The PCC self-insures a number of risks up to a predetermined limit with insurance only being bought externally to cover losses beyond this. This provision is in place to finance any liabilities or losses that are likely to be incurred but uncertain as to the amounts or the dates on which they will arise.

	Balance 1 April 2024 £000	Charge in year £000	Paid in year £000	Balance 31 March 2025 £000
Insurance claims	1,654	766	(642)	1,778
Exit packages	68	283	(157)	193
Other revenue provisions	172	85	(99)	158
ROU asset dismantling costs	-	549	-	549
Total	**1,894**	**1,682**	**(898)**	**2,678**

26. Leases

In 2024/25 the PCC applied IFRS 16 Leases as required by the Code. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date.
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.19%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded.
- The lease reinstatement cost is included within the right-of-use asset.

This has resulted in the following additions to the balance sheet:

- £1,906k Property, plant and equipment – land and buildings (right-of-use assets)
- £1,187k Non-current creditors (lease liabilities)
- £171k Current creditors (lease liabilities)
- £549k Non-current provisions (lease reinstatement costs)

The newly recognised lease liabilities of £1,357k compare with the operating lease commitments of £454k at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £432k (using the incremental borrowing rate at 1 April 2024), there is a difference of £925k from the newly recognised lease liabilities. The operating lease commitments disclosed in the 2023/24 accounts relate to the minimum non-cancellable lease term, i.e. until the next break clause. However, the lease term under IFRS16 is assessed based on the organisation's intentions, i.e. including a period covered by a break clause if the organisation does not intend to take advantage of that break clause, and therefore the lease liability relating to those agreements will generally be higher. The majority of the difference between the newly recognised lease liabilities and the operating lease commitments disclosed in the prior year is explained by these factors. The newly recognised lease liabilities also exclude amounts for leases of low value items (£110k) and leases accounted for as short term (£34k).

Assets held under service concession arrangements (PFI) also fall within IFRS16 and these have been disclosed separately at Note 15.

PCC as Lessee

This table shows the change in the value of right-of-use assets held under leases by the PCC, all leases relate to land and buildings:

Movements in 2023/24 £000		Movements in 2024/25 £000
	Historic cost or revaluation	
-	Balance at 1st April	-
-	Opening balance adjustment	1,906
-	Reclassifications	724
-	Additions	3
-	**Balance at 31st March**	**2,634**
	Depreciation and amortisation	
-	Balance at 1st April	-
-	Reclassifications	36
-	Charge for the year	354
-	**Balance at 31st March**	**391**
-	Opening net book value	1,906
-	**Closing net book value**	**2,243**

This table shows the change in the value of lease liabilities during the year:

	2024/25 £000	2023/24 £000
Balance outstanding at the beginning of the year	-	-
Opening balance adjustment	(1,358)	-
Remeasurements of lease liabilities	(3)	-
Additions during the year	-	-
Capital repayments during the year	173	-
Balance outstanding at year end	**(1,188)**	**-**

The PCC incurred the following expenses and cash flows in relation to leases:

2023/24 £000		2024/25 £000
	Comprehensive income and expenditure statement	
-	Interest expense on lease liabilities	66
-	Expense relating to short-term leases	58
-	Expense relating to exempt leases of low-value items	110
-	Variable lease payments not included in the measurement of lease liabilities	1
	Cash flow statement	
-	Total cash outflow for leases	408
	Movement in reserves statement	
-	Minimum Revenue Provision (includes dilapidations)	315
-	**Total charge to the General Fund**	**957**

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

2023/24 £000		2024/25 £000
-	Less than one year	157
-	One to five years	299
-	More than five years	3,297
-	**Total undiscounted liabilities**	**3,753**

The PCC has a number of properties and some equipment on short term lease arrangements.

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27. Unusable Reserves

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the CIES as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to and from the account.

The Revaluation Reserve shows the net accumulated unrealised gains on non-current assets arising from increases in value, as a result of inflation or other factors. The reserve is debited to reflect: the revaluation element of the depreciation charge, revaluation losses or impairments against previous revaluation gains and when assets with accumulated revaluation gains are disposed of. Any balance remaining in the reserve, relating to an asset that has been disposed of, is removed from the reserve by way of a transfer to the Capital Adjustment Account.

The Capital Adjustment Account accumulates the resources that have been set aside to finance capital expenditure. The consumption of the historical cost by way of depreciation, impairment and disposal is removed from the account throughout the asset's useful life. The balance on this account therefore represents timing differences between financing and consumption of non-current assets.

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provision. The Group accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect benefits earned to be financed as the Group makes employer's contributions to pension funds or eventually pays for any pensions for which it is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements will ensure that the funding will have been set aside by the time the benefits come to be paid.

Movements in unusable reserves are summarised in the Movement in Reserves Statement and are shown in detail below:

Group:

Year Ended 31 March 2025	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Comp' Absences Account £000	**Total Unusable Reserves £000**
Balance at 1 April 2024	**(1,116,196)**	**24,652**	**8,789**	**252**	**40**	**(1,149)**	**(1,083,613)**
Other comprehensive income and expenditure	128,922	5,161	-	-	-	-	**134,083**
Total comprehensive income and expenditure	**128,922**	**5,161**	**-**	**-**	**-**	**-**	**134,083**
Amortisation of intangible assets	-	-	(558)	-	-	-	**(558)**
Depreciation on property, plant and equipment	-	(680)	(4,229)	-	-	-	**(4,909)**
Revaluation gains on property, plant and equipment	-	-	749	-	-	-	**749**
Application of capital grants from unapplied account	-	-	494	-	-	-	**494**
Net gain or loss on the sale of non-current assets	-	-	(645)	-	-	-	**(645)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(40)	-	**(40)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(39,178)	-	-	-	-	-	**(39,178)**
Movement on the Collection Fund Adjustment Account	-	-	-	87	-	-	**87**
Capital expenditure charged to the General Fund Balance	-	-	3,815	-	-	-	**3,815**
Statutory provision for the repayment of debt	-	-	1,369	-	-	-	**1,369**
Contribution to the Police Pension Fund	19,510	-	-	-	-	-	**19,510**
Movement on the Compensated Absences Account	-	-	-	-	-	26	**26**
Use of capital receipts to fund asset purchases	-	-	829	-	-	-	**829**
Adjustments between accounting basis and funding basis under regulations	**(19,668)**	**(680)**	**1,823**	**87**	**(40)**	**26**	**(18,451)**
Increase/(decrease) in year	**109,254**	**4,482**	**1,823**	**87**	**(40)**	**26**	**115,632**
Balance at 31 March 2025	**(1,006,942)**	**29,133**	**10,612**	**339**	**-**	**(1,123)**	**(967,981)**

Year Ended 31 March 2024	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Comp' Absences Account £000	**Total Unusable Reserves £000**
Balance at 1 April 2023	**(1,072,891)**	**23,938**	**8,496**	**864**	**159**	**(1,173)**	**(1,040,608)**
Other comprehensive income and expenditure	(21,806)	1,382	-	-	-	-	**(20,424)**
Total comprehensive income and expenditure	**(21,806)**	**1,382**	**-**	**-**	**-**	**-**	**(20,424)**
Amortisation of intangible assets	-	-	(737)	-	-	-	**(737)**
Depreciation on property, plant and equipment	-	(668)	(3,981)	-	-	-	**(4,649)**
Revaluation losses on property, plant and equipment	-	-	(839)	-	-	-	**(839)**
Application of capital grants from unapplied account	-	-	590	-	-	-	**590**
Net gain or loss on the sale of non-current assets	-	-	(259)	-	-	-	**(259)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(119)	-	**(119)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(40,387)	-	-	-	-	-	**(40,387)**
Movement on the Collection Fund Adjustment Account	-	-	-	(612)	-	-	**(612)**
Capital expenditure charged to the General Fund Balance	-	-	4,434	-	-	-	**4,434**
Statutory provision for the repayment of debt	-	-	1,085	-	-	-	**1,085**
Contribution to the Police Pension Fund	18,888	-	-	-	-	-	**18,888**
Movement on the Compensated Absences Account	-	-	-	-	-	24	**24**
Adjustments between accounting basis and funding basis under regulations	**(21,499)**	**(668)**	**293**	**(612)**	**(119)**	**24**	**(22,581)**
Increase/(decrease) in year	**(43,305)**	**714**	**293**	**(612)**	**(119)**	**24**	**(43,005)**
Balance at 31 March 2024	**(1,116,196)**	**24,652**	**8,789**	**252**	**40**	**(1,149)**	**(1,083,613)**

PCC:

Year Ended 31 March 2025	Pension Reserves £000	Reval--uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Total Unusable Reserves £000
Balance at 1 April 2024	**1,500**	**24,652**	**8,789**	**252**	**40**	**35,231**
Other comprehensive income and expenditure	(1,566)	5,161	-	-	-	**3,595**
Total comprehensive income and expenditure	**(1,566)**	**5,161**	**-**	**-**	**-**	**3,595**
Amortisation of intangible assets	-	-	(558)	-	-	**(558)**
Depreciation on property, plant and equipment	-	(680)	(4,229)	-	-	**(4,909)**
Revaluation gains on property, plant and equipment	-	-	749	-	-	**749**
Application of capital grants from unapplied account	-	-	494	-	-	**494**
Net gain or loss on the sale of non-current assets	-	-	(645)	-	-	**(645)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(40)	**(40)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	66	-	-	-	-	**66**
Movement on the Collection Fund Adjustment Account	-	-	-	87	-	**87**
Capital expenditure charged to the General Fund Balance	-	-	3,815	-	-	**3,815**
Statutory provision for the repayment of debt	-	-	1,369	-	-	**1,369**
Use of capital receipts to fund asset purchases	-	-	829	-	-	**829**
Adjustments between accounting basis and funding basis under regulations	**66**	**(680)**	**1,823**	**87**	**(40)**	**1,256**
Increase/(decrease) in year	**(1,500)**	**4,482**	**1,823**	**87**	**(40)**	**4,852**
Balance at 31 March 2025	**0**	**29,133**	**10,612**	**339**	**-**	**40,083**

Year Ended 31 March 2024	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	**Total Unusable Reserves £000**
Balance at 1 April 2023	**881**	**23,938**	**8,496**	**864**	**159**	**34,338**
Other comprehensive income and expenditure	597	1,382	-	-	-	**1,979**
Total comprehensive income and expenditure	**597**	**1,382**	**-**	**-**	**-**	**1,979**
Amortisation of intangible assets	-	-	(737)	-	-	**(737)**
Depreciation on property, plant and equipment	-	(668)	(3,981)	-	-	**(4,649)**
Revaluation losses on property, plant and equipment	-	-	(839)	-	-	**(839)**
Application of capital grants from unapplied account	-	-	590	-	-	**590**
Net gain or loss on the sale of non-current assets	-	-	(259)	-	-	**(259)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(119)	**(119)**
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	21	-	-	-	-	**21**
Movement on the Collection Fund Adjustment Account	-	-	-	(612)	-	**(612)**
Capital expenditure charged to the General Fund Balance	-	-	4,434	-	-	**4,434**
Statutory provision for the repayment of debt	-	-	1,085	-	-	**1,085**
Use of capital receipts to fund asset purchases	-	-	-	-	-	**-**
Adjustments between accounting basis and funding basis under regulations	**21**	**(668)**	**293**	**(612)**	**(119)**	**(1,085)**
Increase/(decrease) in year	**618**	**714**	**293**	**(612)**	**(119)**	**894**
Balance at 31 March 2024	**1,500**	**24,652**	**8,789**	**252**	**40**	**35,231**

28. Earmarked Balances within the General Fund

The movements in earmarked balances in 2024/25 are analysed as follows:

	Note	Balance 1 April 2024 £000	Received £000	Applied £000	Balance 31 March 2025 £000
Revenue reserves:					
Budget	**(a)**	11,960	4,560	-	16,520
Change	**(b)**	1,397	-	-	1,397
Capital Financing & Efficiency Investment	**(c)**	7,542	274	-	7,816
Specified Purposes Fund	**(d)**	291	290	(291)	290
Crime & Disorder	**(e)**	558	16	-	574
PCC	**(f)**	781	164	-	944
Safety Camera	**(g)**	522	674	(249)	947
Regional Partnership	**(h)**	105	12	(2)	116
Total		**23,156**	**5,990**	**(541)**	**28,605**
General Reserve		**4,600**	**285**	**-**	**4,885**

(a) Budget Reserve
This reserve is being held as a contingency against future demand led pressures and would also act as a contingency to increases of assessed insurance liabilities in excess of insurance budgets and provisions.

(b) Change Reserve
This reserve is used to fund the cost of change and / or to pump prime invest-to-save activities.

(c) Capital Financing & Efficiency Investment Reserve
This reserve is used to fund the short-life asset element of the Capital Programme when the amount required for investing / refreshing in modernising technologies exceeds budget available for this purpose.

(d) Specified Purposes Fund
This fund relates to funds allocated for specific purposes including partnership funding.

(e) Crime and Disorder Reserve
This reserve is made up from underspends against the PCC’s commissioning budget which have been earmarked to fund future commissioning initiatives.

(f) PCC Reserve

This reserve is made up from previous underspends against the budget for the Office of the Police and Crime Commissioner.

(g) Safety Camera Reserve

This reserve is made up of prior years' underspends against the approved annual budget. The use is reviewed and agreed at the Driver Offender Retraining Governance Board (DORG).

(h) Regional Partnership Reserve

This reserve holds ring-fenced funds in relation to regional activity.

Further detail relating to the use of Earmarked Reserves can be found in the Reserves Strategy (Appendix F in the MTFP)[1]

[1]Reserves strategy (Appendix F in the MTFP)

29. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

	Current				Long Term				Total	
	Investments		Other assets		Investments		Other assets			
	31 March		31 March		31 March		31 March		31 March	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Financial Assets										
Amortised costs	30,604	25,441	8,581	10,243	-	-	-	-	39,185	35,683
Total Financial Assets	**30,604**	**25,441**	**8,581**	**10,243**	**-**	**-**	**-**	**-**	**39,185**	**35,683**
Non financial assets	-	-	9,904	9,499	-	-	-	-	9,904	9,499
Total Assets	**30,604**	**25,441**	**18,485**	**19,742**	**-**	**-**	**-**	**-**	**49,089**	**45,182**

	Current				Long Term				Total	
	Borrowings		Other liabilities		Borrowings		Other liabilities			
	31 March		31 March		31 March		31 March		31 March	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
								Restated		
Financial Liabilities										
Amortised costs	526	514	8,683	10,878	5,139	5,564	11	16	14,358	16,972
Total Financial Liabilities	**526**	**514**	**8,683**	**10,878**	**5,139**	**5,564**	**11**	**16**	**14,358**	**16,972**
Non financial liabilities	-	-	12,570	12,450	-	-	1,026,976	1,135,151	1,039,545	1,147,600
Total Liabilities	**526**	**514**	**21,252**	**23,328**	**5,139**	**5,564**	**1,026,986**	**1,135,167**	**1,053,903**	**1,164,572**

The Police and Crime Commissioner for Suffolk does not hold any other category of financial asset or liability and during the year, there were no instances of:

- De-recognition of financial instruments
- Unusual movements to be disclosed
- Allowance for credit losses

The gains and losses recognised in the CIES are shown in the table below:

2023/24 Surplus or Deficit on the Provision of Services £000		2024/25 Surplus or Deficit on the Provision of Services £000
	Interest revenue:	
(2,053)	Financial assets measured at amortised cost	(2,205)
(2,053)	**Total interest revenue**	**(2,205)**
2,677	**Interest expense**	**2,158**

All financial liabilities and financial assets held by the PCC are classified as loans and receivables and long term debtors and creditors and are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

- For PWLB loans, the cash flows are discounted using the premature repayment rates applicable at the year-end equivalent loans
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount. The fair values of financial instruments that differ from the carrying amount are summarised below:

	31 March 2025 Carrying Amount £000	Fair Value £000	31 March 2024 Carrying Amount £000	Fair Value £000
Financial liabilities				
PWLB loan	5,664	5,774	6,078	6,340
	5,664	**5,774**	**6,078**	**6,340**

Fair values of short term trade payables and receivables, cash and cash equivalents are assumed to equal the book values and are therefore not included in the table above. These are exempt from IFRS13.

Assets and liabilities are measured at fair value using the IFRS13 Fair Value market approach which uses prices and other relevant information (inputs) generated by market transactions involving similar assets or liabilities. The IFRS on Fair Value includes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three input levels as follows:

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

We have therefore categorised the valuations of all financial assets and liabilities as Level 2 input in the IFRS 13 fair value hierarchy, there has been no movement between the levels within this and the prior financial year.

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the PCC
- Liquidity risk – the possibility that the PCC might not have funds available to meet its commitments to make payments
- Refinancing and Maturity risk – the possibility that the PCC might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market risk – the possibility that financial loss might arise for the PCC as a result of changes in such measures as interest rates and stock market movements.

The PCC's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the PCC in the Annual Investment and Treasury

Management Strategy[2]. The PCC provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC's customers. This risk is minimised through the Annual Investment and Treasury Management Strategy, which requires that counterparties meet the minimum credit ratings from three major credit rating agencies. In 2024/25, the PCC has a policy not to lend any more than £10m to any individual financial institution, authority or banking group except under exceptional circumstances, when a temporary arrangement is approved. This policy is outlined on page 35.

Recent experience has shown that it is rare for its investment counterparties to be unable to meet their commitments therefore, although a risk of non-recoverability applies to all of the PCC's deposits, there was no evidence at the 31 March 2025 that this was likely to crystallise.

Of the £1,057k outstanding from customers, (£300k) was past its due date for payment at the year-end, this shows as a credit due to a credit note which has not been taken. The past due amount can be analysed by age as follows:

	Amount Past Due 31.3.25	Amount Past Due 31.3.24
Less than three months	54	29
Three to six months	12	4
Six months to one year	1	-
More than one year	(367)	-
	(300)	**33**

Liquidity risk

The PCC has comprehensive cash flow management processes that seek to ensure that cash is available as needed. If unexpected movements happen the PCC has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB). As the PCC is required to provide a balanced budget which ensures sufficient monies are raised to cover annual expenditure, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The PCC has one loan with the PWLB that was taken out for £10m in 2010/11, it is being paid off in half year instalments. The loan is due to mature in 2035/36. All trade and other payables are due to be paid in less than one year.

Refinancing and Maturity risk

The PCC maintains its debt and investment portfolio in line with the Annual Investment and Treasury Management Strategy. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the PCC relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC approved Annual Investment and Treasury Management Strategy addresses the main risks and the treasury management function addresses the operational risks within the approved parameters.

The PCC's financial assets held on the balance sheet all mature within one year.

Market risk – Interest risk

The PCC has no significant exposure to market risk from investments. Investments are normally by way of term deposits placed at a fixed rate for a fixed period, therefore there is a risk that the market rate can change, which would lead to an impact on the fair value of the investment. However, investments are mostly placed for periods not exceeding three months, therefore the exposure to market risk is regarded as negligible.

The PCC mitigates its exposure to market risk in regards to interest expense by fixing the interest rate payable for the duration of its loans. The risk is therefore shifted to the risk on the movement of fair value that would arise when prevailing rates differ from contract rate payable. However, borrowings are not carried at fair value, so nominal gains or losses on fixed rate borrowing do not impact on the CIES.

[2] Annual Investment and Treasury Management Strategy

A 1% increase in interest rates would only have a material effect on the fair value of borrowings. It would reduce the value by £258k.

The PCC does not invest in equity shares nor in financial assets or liabilities denominated in foreign currencies and therefore has no exposure to price risk or exchange risk.

30. Going Concern

The Police Reform and Social Responsibility Act 2011 sets out in statute the creation of the Police and Crime Commissioners and the financial responsibility they have. The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as the Office of the Police and Crime Commissioner and the Constabulary cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

PCCs and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospect is that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

Through actions taken to control spending in-year in order to mitigate significant inflationary pressure, the Constabulary and OPCC recorded an outturn underspend of £3.660m.

During 2024/25, The PCC has increased the General Reserve by £0.285m to £4.9m, at 31 March 2025 the PCC has a Budget Reserve of £16.5m that in extremis would be used to manage the financial risks of major incidents.

A high-level scenario planning exercise was completed and compared against our current MTFP assumptions. The budget gap for 2025/26 ranged between reasonable pragmatic case of £0.8m to a worst case of £2.7m given a range of assumptions on government funding, precept decisions, tax base reductions and collection fund deficits. The guidelines to Heads of Department in regard of the Strategic & Financial Planning process (using Outcome Based Budgeting principles) took these scenario plans into account and through this process the Constabulary delivered the required savings in order to reach a balanced budget for 2025/26.

Based on the approved medium Term Financial Plan, general fund balances including earmarked reserves at 31 March 2026 are planned to be £26.6m. This remains well above our minimum level of general fund balance as set by the PCC CFO of £5.2m.

Taking a worst-case funding scenario, and a worst-case assumption that no savings are identified through the Constabulary's budget setting process, general fund balances including earmarked reserves as at 31 March 2026 would reduce to approximately £23.9m. This remains significantly above the minimum general fund balance set by the PCC CFO of £5.2m

Taking into account the availability of usable reserves, the capacity to finance the current gap between external borrowing and the capital financing requirement and the ability to borrow on a short-term basis to prudently fund any temporary shortfall of cash; the PCC is able to demonstrate that he has sufficiently liquid resources until 12 months from the authorisation of the financial statements to meet all liabilities as they fall due.

The PCC's reserves remain sufficiently healthy to absorb funding pressures and remain able to meet its financial obligations as and when they fall due. Therefore, following our review of future finances, it has been concluded that there is no material uncertainty relating to going concern.

31. Events after the Reporting Period

Events after the reporting period have been considered for the period from the year end to the date the accounts were authorised for issue on ……………. 2025. At the time of issue there were no adjusting or non-adjusting subsequent events that required disclosure.

32. Capital Commitments

Significant commitments under capital contracts as at 31 March 2025 are analysed as follows:

31 March 2024 £000		31 March 2025 £000
-	SARC Improvement Scheme	633
86	Vehicles	174
-	Training Equipment	99
67	ICT replacements & equipment refresh	70
78	Other	48
170	Vehicles - Sizewell	-
402	**Total committed**	**1,024**

Police Pension Fund Accounting Statements

Fund Account

2023/24 £000		2024/25 £000
	Contributions receivable	
	Employer	
16,516	Normal	19,737
264	Early retirements	678
11	McCloud Remedy	184
16,790		20,599
	Members	
7,168	Normal	7,539
7,168		7,539
	Transfers in	
19	Individual transfers in from other schemes	211
19		211
	Benefits payable	
(37,513)	Pensions	(40,331)
(5,231)	Commutations and lump sum retirement benefits	(7,077)
-	Lump sum death benefits	(149)
(18)	Other	(144)
(42,761)		(47,702)
(104)	Refunds on contributions	(150)
-	Individual transfers out to other schemes	(7)
(104)		(157)
(18,888)	**Net amount payable for the year before contribution from the Police General Fund**	**(19,510)**
18,888	**Contribution from the Police General Fund**	**19,510**
-	**Net balance receivable for the year**	**-**

No assets are held by the pension fund and no amounts were owed to or from it as at 31 March 2025 (31 March 2024 £nil).

The actuarial valuation has set the employer contribution rate for all three police pension schemes from 1 April 2024 at 35.3% of pensionable pay. A pensions top-up grant from the Home Office is received which funds contributions to a level of 21.3% and in 2024/25 a specific grant of £3.972m was received to part fund the cost of the recent change in contribution rates. The Constabulary funds the resulting balance.

Glossary of terms

For the purposes of the statement of accounts the following definitions have been adopted:

Accruals basis

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

Actual return on plan assets

The difference between the fair value of plan assets at the end of the period and the fair value at the beginning of the period, adjusted for contributions and payments of benefits.

Actuarial gains and losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

a) Events have not coincided with the actuarial assumptions made for the last valuations (experience gains and losses) or
b) The actuarial assumptions have changed

Capital expenditure
Expenditure on the acquisition of a non-current asset; or expenditure which adds to – rather than merely maintains – the value of an existing non-current asset.

Capital Receipt
Income derived from the sale or disposal of a non-current asset.

CIPFA
The Chartered Institute of Public Finance and Accountancy.

Contingent liability
A contingent liability is either:

a) A possible obligation arising from past events; it may be confirmed only if particular events happen in the future that are not wholly within the Constabulary's control; or
b) A present obligation arising from past events, where economic transactions are unlikely to be involved or the amount of the obligation cannot be measured with sufficient reliability.

Current Service Costs
The increase in pension liabilities as a result of years of service earned this year.

Defined benefit scheme
A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation
The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

Government grants
Part of the cost of service is paid for by central government from its own tax income. Specific grants are paid by the Home Office to the Group towards both revenue and capital expenditure.

Group
The term Group refers to the Police and Crime Commissioner (PCC) for Suffolk and the Chief Constable (CC) for Suffolk.

Impairment
A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Intangible non-current assets
Intangible assets are non-financial non-current assets that do not have physical substance, but are identifiable and are controlled by the PCC through custody or legal rights.

MLCLG
Ministry of Housing, Communities and Local Government.

Net book value
The amount at which non-current assets are included in the balance sheet, meaning their historical cost or current value less the cumulative amounts allowed for depreciation.

Net realisable value
The open-market value of the asset in its existing use (or open-market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-current assets
Tangible and intangible assets that yield benefits to the PCC and the services it provides for more than one year.

Outturn
The actual amount spent in the financial year.

Operational assets
Non-current assets held and occupied, used or consumed by the PCC in the direct delivery of services for which it has a statutory or discretionary responsibility.

Past Service Costs
The increase in pension liabilities as a result of a scheme amendment or curtailment whose effect relates to year of service earned in earlier years.

PCC
References to PCC within these Financial Statements relate to the entity of the Police and Crime Commissioner for Suffolk unless otherwise stated.

Pension Strain
Occurs when there is a clear shortfall in the assumed level of funding needed to provide a particular pension benefit, often occurring when a member draws their benefits earlier than expected i.e. due to redundancy.

Projected Unit Credit Method
An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit credit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

Precept
The proportion of the budget raised from council tax.

Provision
Amount set aside to provide for a liability which is likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

PWLB
The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies and to collect the repayments.

Related parties
Two or more parties are related parties when at any time during the financial period:

a) One party has direct or indirect control of the other party; or
b) The parties are subject to common control from the same source; or
c) One party has influence over the financial and operational policies of the other party so that the other party might not always feel free to pursue its own separate interests; or
d) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Retirement Benefits
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme Liabilities
The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Settlement
An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits:
b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits: and
c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Useful life
The period over which the PCC will derive benefits from the use of a non-current asset.

Vested Rights
In relation to a defined benefit scheme, these are:

a) for active members, benefits which they would unconditionally be entitled to on leaving the scheme;
b) for deferred pensioners, their preserved benefits;
c) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants.