

Chief Constable for Northumbria

Statements of Account
2024/25



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Preface

Vanessa Jardine - Chief Constable, Northumbria

Chief Constable's Message

Northumbria is a truly remarkable region—rich in culture, diversity, and community spirit. It's a privilege to lead a police force that serves such a vibrant and resilient area.

The landscape of policing continues to shift, with new and complex challenges emerging across crime, vulnerability, and public safety. Northumbria Police remains resolute in its mission to adapt, innovate, and deliver the highest standards of service to the people we protect and serve.

Our purpose is clear: to keep people safe and fight crime. We continue to focus on three key priorities:

- **Focus on Prevention**
- **Be there when the public need us**
- **Deliver an outstanding service**

These priorities are embedded in everything we do, and I am proud of the dedication shown by our officers and staff every day. We also continue to work closely with the Office of the Police and Crime Commissioner, ensuring transparency, accountability, and shared ambition.



Narrative Statement

Introduction

The Statements of Account present the Chief Constable's financial performance for the year-ended 31 March 2025. This includes the overall financial position at the end of that period, and the cost of services provided.

The narrative and financial summary that follows provides an overview of the accounting arrangements and a guide to the most significant matters in the financial statements.

Northumbria Police – Key Facts

Northumbria Police is one of the largest police forces in the country, serving a population of 1.5 million people from a variety of communities and covers an area of more than 2,000 square miles.

Northumbria Police is dedicated to building trust and confidence and reducing crime and disorder in the communities within the [North East](#) of England.



Northumbria Police operates over a six-area command structure which encompasses Tyne and Wear and Northumberland. The Force covers an area from the Scottish border down to County Durham and from the Pennines to the Northeast coast.

Workforce Numbers

The number of officers, staff and special constables working for the Force as at 31 March each year are shown in the table below; in addition the Force is also supported by cadets and other volunteers.

As at 31 March 2024	Workforce	As at 31 March 2025
3,845	Police Officers	3,829
1,986	Police Staff	2,000
73	Police Community Support Officers (PCSOs)	91
85	Special Constables	90

The Statements of Account

The accounts are prepared in-line with the statutory arrangements introduced under the Police Reform and Social Responsibility Act 2011.

Under the provisions of the Act, the Commissioner and Chief Constable are created as two separate corporation soles. For financial reporting purposes, the Chief Constable is a subsidiary of the Commissioner by virtue of the powers the Commissioner has to govern the financial and operating policies of the Chief Constable.

The accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011.
- The Home Office Revised Financial Management Code of Practice for the Police Forces of England and Wales and Fire and Rescue Authorities created under section 4A of the Fire and Rescue Services Act 2004.
- The Police and Crime Commissioner for Northumbria's Governance Arrangements including Financial and Contract Regulations.

The liabilities associated with the staff costs of the Chief Constable are recorded in the Chief Constable's accounts and consolidated under the Police and Crime Commissioner's Group accounts.

The Commissioner is responsible for the finances of the whole Group; she receives all income and funding, including all government grants and Council Tax Precept, into the Police Fund and makes all the payments for the Group from the Police Fund. In turn, the Chief Constable fulfils her function under the Act within an annual budget set by the Commissioner. The Chief Constable is consulted on this budget as part of the budget setting process.

A scheme of delegation¹ is in operation between the two bodies determining their respective responsibilities. The detailed accounting arrangements between the Commissioner and Chief Constable are detailed in **Note 3** to the accounts.

¹ Available at PCCs website

Relationship between the Police and Crime Commissioner and the Chief Constable

Each has specific roles and responsibilities.

These roles and responsibilities can be summarised as follows:

The Police and Crime Commissioner:

- Provides a link between the police and the community.
- Sets out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan.
- Prepares and publishes an annual report on progress in the delivery of the Police and Crime Plan.
- Sets out the Force's budget and community safety grants.
- Sets the policing and crime Precept.
- Oversees community safety, the reduction of crime and value for money in policing.
- Commissions victims' and witness services, including restorative justice.
- Appoints the Chief Constable (and dismissal when necessary).
- Holds the Chief Constable to account for the performance of the Force, including that of police officers and civilian staff under their direction and control.
- Receives all income from grants, Precept and charges.
- Has the responsibility for all borrowing.



The Chief Constable:

- Responsible for maintaining the King's peace and for the direction and control of the Force.
- Accountable to the law for the exercise of police powers.
- Accountable to the Commissioner for the delivery of efficient and effective policing, and the management of resources and expenditure by the Police Force.
- Operationally independent of the Commissioner but must have regard to the Commissioner's Police and Crime Plan.
- May not borrow money.

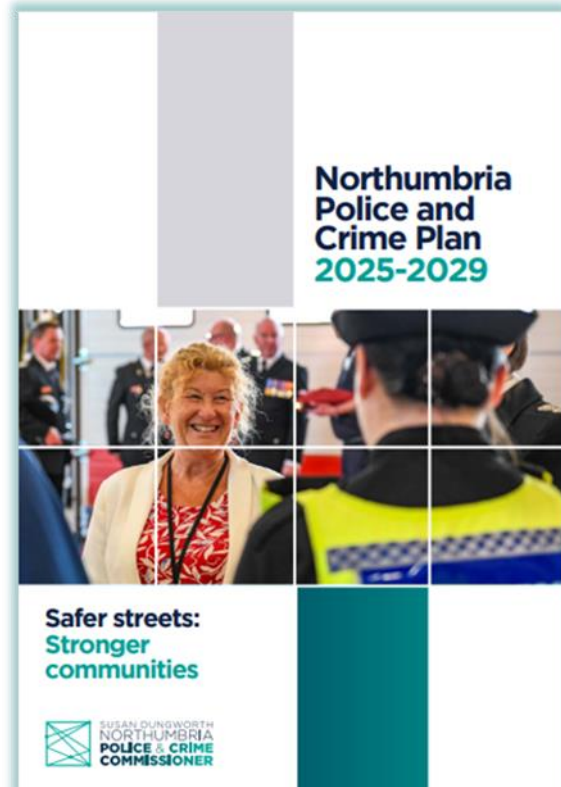
Police and Crime Plan 2025-2029

The Police and Crime Commissioner determines the priorities for policing within the Police and Crime Plan, through comprehensive engagement and consultation across our communities to ensure that the priorities reflect the expectations of the public. The Chief Constable and Police and Crime Commissioner work closely together to ensure effective delivery of the Plan.

The Police and Crime Plan 2025 – 2029 covers the key areas of focus the Force are expected to deliver on, alongside other national policing requirements. It was put together after a region-wide consultation process by the Commissioner during 2024/25, in which thousands of residents and organisations had their say on what those priorities should be.

The Police and Crime Plan forms the basis of how the Commissioner holds the Force to account on behalf of the public and as part of that process the Commissioner reports regularly on the Force's performance towards the Police and Crime Plan priorities.

The current Police and Crime Plan can be found on the Commissioners website.



Susan Dungworth is the Police and Crime Commissioner for Northumbria, elected on 2 May 2024 and replacing the former Commissioner Kim McGuinness who had held the post for five years.

Force Strategy

In February 2024 the Chief Constable launched the new **Force Strategy**.

The **PURPOSE** of the Force is unchanged, 'Keep people safe and fight crime'.

The Force has simplified its **VISION**, 'To be an outstanding police Force'.

New Force **OBJECTIVES** introduce three key areas for all officers and staff to concentrate on:

- Focus on prevention.
- Be there when the public needs us.
- Deliver an outstanding service.

The Force Strategy is underpinned by the principles outlined in the newly revived College of Policing Code of Ethics:

'Do the right things, in the right way, for the right reasons.'



Financial Performance 2024/25

Key Highlights

For 2024/25 the Northumbria Police Group revenue budget was originally set at £379.464 million which included grant income of £301.319 million from central government, Council Tax Precept income of £76.600 million and the planned use of £1.545m earmarked reserves.

At Quarter 2 the revenue budget was reduced by £1.360 million to £378.104 million, and the planned use of reserves was reduced to £0.185 million. The mid-year realignment was as a result of revenue budget requirements having been reassessed to account for the impact of the September 2024 police officer and staff pay award, additional grant income from the Home Office and a reduction in capital financing budgets reflecting forecasts for increased investment returns and a lower borrowing requirement for 2024/25.

The Chief Constable's revenue budget allocated by the Commissioner for 2024/25 was originally set at £362.922 million and reduced at Quarter 2 to £362.122 million.

As part of the National Police Uplift Programme, forces across the country were given recruitment targets to be achieved from September 2019 to March 2023, with an aim of increasing the number of police officers by 20,000 nationally. The Uplift target for Northumbria was 615 additional police officers by March 2023 and Northumbria fully delivered against that target.

In addition to the national Uplift target, the Force took the decision to commit to recruiting additional numbers which took them over and above the original target set by the Government, delivering a further 78 officers in 2022/23 and a further 31 officers in 2024/25.

In 2024/25 the Force was able to successfully maintain this higher target, and in the Police Grant Settlement for 2025/26 the Government confirmed the additional numbers are added to the 'Uplift baseline' for Northumbria, bringing the total Uplift allocation to 724 officers.

These accounts explain the detailed financial transactions that have taken place during the year which concludes that the year-end revenue outturn position for the Chief Constable is an underspend of £4.448 million.

During 2024/25 the capital programme, funded by the Police and Crime Commissioner, delivered investment of £14.125 million in capital schemes for estates refurbishment, continued investment in vehicles and operational equipment, and in new digital policing systems and technologies.

Financial Context 2024/25

Since 2010, Central Government's austerity drive saw unprecedented cuts to the funding provided to policing, with Northumbria being the hardest hit of any force in England and Wales. Central Government formula funding for policing in Northumbria was reduced by more than 31% in real terms between 2010/11 and 2018/19, as confirmed independently by the National Audit Office (NAO).

The structure of Police funding means those which have a lower Council Tax Precept will suffer the most, as any cut from government is to the larger proportion of their funding. Over the period of austerity covered by the Comprehensive Spending Review (CSR) 2010 and 2015, Northumbria has experienced the largest impact of cuts because it receives more in grant in proportion to its Council Tax; around 80% in 2024/25 was funded by Home Office grant. In addition, Northumbria has the lowest Precept of any PCC in England and Wales, and a low yield.

By March 2021 Northumbria Police had made £148.000m of cuts and efficiencies to manage the scale of reductions imposed by government since 2010. For Northumbria, employee pay accounts for the majority of the annual revenue budget and therefore those savings delivered were mainly realised through reductions to the workforce.

At the start of the 2019/20 financial year, police officer numbers had fallen by more than 1,100 since 2010 and staff by over 800, a reduction of 29% in the total workforce as shown in the following table:

Narrative Statement

Workforce Reductions	31 March 2010	31 March 2019	Reduction between 2010 and 2019		31 March 2025
	FTE	FTE	FTE	%	FTE
Police Officers	4,187	3,081	(1,106)	(26%)	3,829
Police Staff	2,534	1,717	(817)	(32%)	2,091
Workforce	6,721	4,798	(1,923)	(29%)	5,920

The increase in the precept for the financial years 2019/20 to 2024/25 has delivered vital new funding for Northumbria. This coupled with the Uplift target set for Northumbria has enabled the Force to start re-investing in officers and staff, although still some way from the numbers lost since 2010.

Revenue Expenditure and Income Summary

Revenue expenditure represents the day to day running costs of providing policing services and includes expenses such as employee pay, vehicle and premises running costs, supplies and services, IT and communications. Revenue expenditure for the Chief Constable is fully funded by income from the Commissioner.

The Chief Constable's Executive Board monitors the revenue monitoring position each month and each quarter they are also considered as part of a consolidated Group position at the joint Business Meeting between the Chief Constable and the Commissioner.

The Comprehensive Income and Expenditure Statement (CIES) presents the outturn on an accounting basis and that differs from how the Chief Constable manages the budget during the year. Capital charges for the use of assets, the cost of annual leave / lieu time balances and accrued pension benefits reported in the CIES are not included within the revenue budget. In addition, certain elements of income that are managed by the Chief Constable on behalf of the Commissioner are included in monitoring but not in the CIES, as all income is received by the Commissioner.

Revenue Outturn 2024/25

The Commissioner delegated a budget of £362.122 million to the Chief Constable for 2024/25, to enable the discharge of the activities under the Chief Constable's direction and control. The outturn position against the Chief Constable's revenue budget reflects an underspend of £4.448 million.

Details of the 2024/25 revenue outturn for the Chief Constable are set out in the following table

Revenue Outturn 2024/25					
Budget Heading	Budget 2024/25 £000	Expenditure 2024/25 £000	Income 2024/25 £000	Outturn 2024/25 £000	Variance 2024/25 £000
Workforce	328,004	327,404	-	327,404	(600)
Overtime and SPS	4,333	7,823	(1,729)	6,094	1,761
Business Services	2,522	2,532	-	2,532	10
Communications and Engagement	97	318	(129)	189	92
Contributions & Subscriptions	9,538	9,320	-	9,320	(218)
Crime	999	1,061	(120)	941	(58)
Criminal Justice and Custody	950	2,573	(3,055)	(482)	(1,432)
Digital Policing	16,261	14,865	-	14,865	(1,396)
Estates	11,484	11,025	(54)	10,971	(513)
Finance	790	893	(30)	863	73
Fleet	4,612	4,692	(406)	4,286	(326)
Forensic Services	2,136	1,948	-	1,948	(188)
Information Management Unit	68	110	(118)	(8)	(76)
Insurance	1,722	2,630	-	2,630	908
Legal Services	272	353	-	353	81
Force Coordination and Operations	128	1,283	(943)	340	212
People Department	4,689	5,138	(785)	4,353	(336)
Procurement	(78)	2,099	(2,097)	2	80
Secondments	(5)	1,239	(1,264)	(25)	(20)
Other Income	(26,400)	-	(29,087)	(29,087)	(2,687)
Budget Outturn	362,122	397,306	(39,817)	357,489	(4,633)
National Policing Capabilities (Hosted Services)	-	997	(854)	143	143
External Funding Schemes	-	9,530	(9,488)	42	42
Net Expenditure	362,122	407,833	(50,159)	357,674	(4,448)

The Chief Constable has delivered policing services in Northumbria for 2024/25 within the budget allocated by the Commissioner for the financial year.

The underspend of £4.448 million includes income and expenditure relating to funded schemes and National Policing Capabilities/Hosted Services.

The underspend relates primarily to additional income received in year for Operation Safeguard, and underspends on expenditure areas such as digital policing, estates, fleet, external training and the Northumbria contribution to the North East Regional Organised Crime Unit (NEROCU).

Additional income (Other Income) received in-year related primarily to the costs of overtime and other expenditure incurred in policing the period of disorder and national unrest in Summer 2024. Costs in Northumbria were met through an additional Home Office Grant of £1.662m.

In addition to the core revenue budget, the Chief Constable manages expenditure against funded hosted services such as the National Rural Crime Unit and other external funding schemes which include specific grants such as Counter Terrorism and other grants and contributions from the Home Office, Local Authorities and external bodies. The majority of income received has been fully utilised in 2024/25 and the outturn position reflects a net transfer of £0.042 million from the external funding reserve and a transfer of £0.143 million from the National Policing Capabilities (hosted services) reserve.

Details of performance are set out later in this Narrative Statement.

Capital Programme

Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all non-current assets are under the control of the Commissioner. Details of capital expenditure and funding in relation to the acquisition and enhancement of assets, which amounted to £14.125 million in 2024/25, are shown in the financial statements of the Commissioner.

The Chief Constable's Comprehensive Income and Expenditure Statement (CIES) receives an annual charge for the use of operational assets based on capital charges. For the 2024/25 financial year this charge was £14,494 million (£14,973 million 2023/24).

Governance

Governance arrangements are set out in the Annual Governance Statement (AGS) published with the Statements of Account.

Value for Money

Financial control involves the existence of a control structure which ensures that all resources are used as efficiently and effectively as possible to attain the Commissioner's and Chief Constable's objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of those assets and resources over which the Chief Constable has delegated control.

The Internal Audit Service, provided under an agreement with Gateshead Council, is required to objectively examine, evaluate and report upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the Commissioner and Chief Constable's resources.

This is achieved through the delivery of a risk based annual audit plan which is monitored by the JIAC on a quarterly basis. The Internal Audit Executive also prepares an annual report based on the work of the Internal Audit Service which provides an independent and objective opinion on the internal control, governance and risk environments of the Commissioner and Chief Constable, based on the work undertaken by the Internal Audit Service throughout 2024/25.

The financial management and performance reporting framework follows national and/or professional best practice, and its key-elements are set out below:

- Financial Regulations establish the principles of financial control. They are designed to ensure that the Commissioner conducts financial affairs in a way which complies with statutory provision and reflects best professional practice. Contract Standing Orders set-out the rules to be followed in respect of contracts for the supply of goods and services.
- A robust system through which the Force manages Finance, People Services, Payroll and Procurement processes is used throughout the Force. This enables systematic control to be applied, particularly in relation to budget management. This ensures that responsibility and accountability for resources rest with those managers who are responsible for service provision. This is underpinned by systematic controls which ensure financial commitments are approved by the relevant manager.
- In accordance with the Prudential Code and best accounting practice, the Commissioner produces a four-year Medium Term Financial Strategy (MTFS) and capital programme. The Chief Constable produces a Medium-Term Financial Plan (MTFP) that informs the MTFS of the Commissioner. These are reviewed on an on-going basis and form the core of resource planning, setting the precept level, the annual revenue budget and capital programme.

Narrative Statement

- The MTFS includes known commitments, anticipated resource availability and other expenditure items which the Chief Constable has identified as necessary to deliver both national and local policing priorities.
- The Force has introduced a Priority Based Budgeting (PBB) approach to business planning aimed at creating efficiency savings to best invest for the future, and which can be delivered whilst maintaining performance and identifying opportunities to improve policing services. Efficiencies identified through PBB were delivered in 2024/25, with further savings reflected across the MTFS period 2025/26 to 2028/29.
- The annual revenue budget provides an estimate of the annual income and expenditure requirements for the Chief Constable and sets out the financial implications of the Commissioner's policies. It provides the Executive Team with the authority to incur expenditure and a basis on which to monitor and report on financial performance.
- The Commissioner approved a balanced budget for the Force in 2024/25 which included an increase in the Council Tax Precept of £13.00 per year for a Band D property.
- The additional income generated by the precept increase for 2024/25 was £5.384m and was used to:
 - Allow Northumbria Police to introduce a force-wide Motorbike ASB Unit.
 - Allow the force to safeguard and hire new investigators, including digital forensic specialists.
 - Avoid the need for further cuts to the frontline police budget.
- Monthly financial performance reports are presented to the Executive Board that focus on year-to-date information and forecast outturn enabling officers to establish a clear understanding of financial performance. These are then presented quarterly to the Commissioner through the joint Business Meeting, and these are available on the Commissioner website for wider scrutiny of financial performance by the public. Additional monitoring reports are produced and discussed with budget managers on a regular basis throughout the year.

Performance Information – Police and Crime Plan 2024/25

Police and Crime Plan Priorities

Fighting Crime

Improving Lives

Preventing Crime

Contact Management

There has been an 11% reduction in the volume of 999 calls for the 12 months to March 2025, from 303,182 to 271,276. Over this period, call answering times have improved, with 93% of 999 calls answered within the service level agreement; an average answer time of 4 seconds. There has also been an improvement in the 90th percentile, with 90% of 999 calls answered in 2 seconds, compared to 4 seconds in 2023/24.

The number of 101 non-emergency calls was also lower in 2024/25 compared to the previous year, with 22% fewer calls; a reduction from 254,675 to 208,136 calls. A demand reduction plan to expand the digital footprint and improve engagement has contributed to this reduction in 101 non-emergency call demand. Changes include redesign of the IVR system, call back functionality and the introduction of digital channels, including Single Online Home and ORLO, providing improved customer choice, signposting, and routing.

The call abandonment rate and average answer time has increased over the last 12 months, with the abandonment rate for 101 non-emergency calls 11% for 2024/25 compared to 8% the previous year. The average answer time has increased to 2 minutes 42 seconds from 1 minute 32 seconds in 2023/24. A ringfencing system introduced in 2024 has had an impact in this area, which was subsequently removed resulting in performance improving from September 2024.

Right Care Right Person (RCRP) launched in 2023/24 and has contributed to a reduction in demand throughout 2024/25, whilst a Secondary Call function was introduced in March 2024 to ensure recontact with callers for grade 2 incidents that are delayed.

The satisfaction of volume crime victims with their initial contact with police remains high and stable over time.

Response

Grade 1 incident demand has reduced by 6% (5,307 incidents) in the 12 months to March 2025 compared to the previous year. Attendance times have increased, with 84% of grade 1 urban incidents attended within 15 minutes, a 5%pts improvement, whilst 70% of grade 1 rural incidents were attended within 20 minutes, a 11%pts improvement

Demand for grade 2 incidents has reduced by 12% compared to the previous year. Attendance to grade 2 incidents has improved with 64% of incidents attended within one hour; a 13%pts increase compared to 2023/24.

In March 2024, a new Force Operating Model (FOM) was implemented. The overarching aim of the new FOM was to refresh the approach to service delivery to ensure the force provides a service which is more agile, focusing on public needs and supporting officers, staff and volunteers delivering them.

The new model has enhanced emergency and priority call responses, tasking opportunities and resilience for large-scale events. It has also improved investigative quality, balancing investigative demand across Response Policing Teams (RPT) and the Criminal Investigation Department (CID).

Key changes introduced as a result of the FOM include:

- **Area Commands:** The force has expanded from three to six area commands, aligning with local authority boundaries to foster better collaboration with partners and enhance local leadership and accountability.

Narrative Statement

- **Response Policing Teams (RPT):** Resources have been transferred from the Criminal Investigation Department (CID) to RPT, increasing capacity and resilience to handle peak incident demand and improve investigations.
- **Dedicated Response Appointments (DRA):** A 24-hour service level agreement for victims has been introduced. Since March 2024, 18,447 DRAs were created, with 89% booked within 24 hours. The introduction of DRAs has enabled responses to be delivered in a time more suited to the needs of the victim.
- **New Hubs:** New hubs in Morpeth for Northumberland and in Easington Lane for Sunderland have been introduced to improve response to incidents.
- **Right Care Right Person (RCRP):** Launched in January 2024, the RCRP initiative has continued to direct individuals and partner agencies to more appropriate services for care, reducing demand by 20%.

Satisfaction with response times has improved by 6%pts, and can be attributed to improvements in attendance times.

Anti-Social Behaviour

There has been an 18% reduction in the number of anti-social behaviour incidents in the 12 months to March 2025 compared to 2023/24; 7,697 fewer anti-ASB incidents. This reduction has been across all ASB incident types.

The following activities have contributed to this reduction:

- **Hotspot Targeting:** Operations focusing on hotspot locations, using enforcement and diversionary interventions to target key offenders.
- **ASB Coordination Group:** A multi-agency group, including six local authorities, meets to share intelligence and coordinate responses to emerging issues.
- **Repeat Victims:** Identifying repeat victims of ASB and using problem-solving to reduce further incidents.
- **Home Office Pilots:** Northumbria Police is delivering two ASB pilots (Immediate Justice and Hotspot ASB Resourcing) to increase visible patrols and reduce incidents.
- **Operation Capio:** Significant reductions in motorbike ASB have been achieved through bespoke motorbike teams and drone capability. Operation Capio was showcased as good practice at a regional conference.
- **Transport Network:** ASB on transport networks remains a focus, with high visibility deployments (Project Shield) achieving significant reductions with activity coordinated via the Safer Transport partnership group.
- **Training:** Bespoke ASB training was delivered to over 800 police and partner agency staff, covering victim care, support, and risk management. The training has increased the use of ASB orders and legislative powers and has been shortlisted for national awards.

Recorded Crime

Total Crime has reduced by 3% (5,040 fewer crimes) for the 12 months to March 2025, with reductions in various categories, including violence against the person, vehicle crime, criminal damage. Vehicle crime has reduced by 12%, with significant reductions in theft from motor vehicles (-676 offences) and theft of motor vehicles (-456 offences), attributed to targeted efforts and quicker responses.

Narrative Statement

The number of sexual offences has increased by 13%. This is primarily due to a 40% rise in 'other' sexual offences linked to the Online Offences Act of 2024. Burglary offences have increased by 5%, partly due to more attempted burglaries being recorded using Ring Doorbells and CCTV footage, leading to more arrests.

There has been a 3% reduction (99 fewer crimes) in hate crime in 2024/25 compared to the previous year. There have been increases in specific hate crime categories; race hate crime has increased by 5% (+119 crimes) and faith hate crimes (+41 crimes). There have been reductions in all other hate crime categories; homophobic (-109), transphobic (-57), and disability hate crimes (-20).

The following activities have contributed to the management of hate crime:

- **Hate Board:** A formal six-weekly board with partners (OPCC, CETs (Community Engagement Teams), CPS, crime quality teams) reviews key themes, performance, and feedback, managing the Multi Agency Joint Action Plan.
- **Crime Quality Teams:** Extended to all six area commands, these teams review outcomes 115 (evidential difficulties) and 116 (victim does not support), reopening cases where prosecution opportunities exist. CPS marks evidence-led cases for measurement.
- **Feedback and Training:** Formalised feedback from hate crime panels, with reflective practice for officers. Thematic areas from panels used in new training resources for frontline staff.
- **Community Cohesion Conference:** Held in January 2025 with 160 delegates and 45 partnerships coming together to discuss an improved response to hate crime.

The satisfaction of hate crime victims with their whole experience of service remains stable compared to the same period last year.

Police and Crime Plan Priorities

Fighting Crime

Improving Lives

Preventing Crime

Domestic Abuse (DA)

There has been a 4% reduction in domestic abuse incidents compared to the previous year. A Home Office pilot, Raneem's Law, has been introduced with Independent Domestic Violence Advisors (IDVAs) working within the control room, aiming to improve service to victims of domestic abuse.

The following activities have contributed to management of Domestic Abuse:

- SafeLives: Delivered DA matters training to 1,500 front line practitioners through a mixed cohort of trainers that included police and partners.
- Northumbria Stalking Intervention Programme (NSIP): Referral pathways are established, and risk assessments are ongoing.
- CPS Scrutiny Panels: Learning from CPS scrutiny is shared, with key themes integrated into future training. Performance and successful outcomes are above the national average, with ongoing efforts to improve outcomes in stalking and harassment cases.
- Joint Justice Plan: A self-assessment for the Joint Justice Plan has been completed. Regional Domestic Abuse Joint Operational Improvement meetings are now taking place to inform the regional response.

82% of domestic abuse victims feel satisfied with the actions taken by police in response to their report. Satisfaction with treatment remains consistently high over time.

Positive Outcome Rate

The positive outcome rate has improved consistently throughout 2024/25, with the positive outcome rate for the 12 months to March 2025 at 17.3% compared to 10.9% for the previous year.

Investigative performance prior to the FOM were below expected standards. The plan to transfer greater investigative demand to Response Policing Teams as part of the FOM necessitated an investment in investigative capability. An Accelerated Investigative Improvement Programme was put in place.

Victims' Code of Practice (VCOP)

Most areas of VCOP compliance have improved compared to the previous 12 months, such as informing victims following a change in the status of the crime (i.e. suspect arrested, charged or bailed) and completing a victim needs assessment within 48 hours.

Follow-up performance remains an area for improvement; whilst an increase on the previous year, 76% of victims who wanted updates felt satisfied with the way they were kept informed.

Public Perception

The percentage of residents that rated the performance of their local police as 'good' or 'excellent' remains stable compared to the same period last year. Residents who rated the police favourably often acknowledged the pressures placed on the police force, cited positive, personal experiences with the service and expressed sentiments such as 'the police would be there if they needed them.' Other residents associated low crime rates in their local area as evidence of efficient policing.

Data for the 12 months to December 2024 from the Crime Survey for England and Wales (CSEW) shows most Northumbria public confidence/perception results have remained stable compared to the same period

Narrative Statement

last year, with the exception of the 'Police treat fairly' (-4%pts) and the 'police understand local concerns' (-3%pts), measures which have decreased. While the 'police/council deal with crime and ASB issues that matter' measure has increased, (+4%pts).

The current results continue to be similar to the results for the national average, with the exception of the 'police can be relied on when needed' (Northumbria +3%pts) and the 'police/council deal with crime and ASB issues that matter' (Northumbria -5%pts).

Police and Crime Plan Priorities

Fighting Crime

Improving Lives

Preventing Crime

Preventing Crime

Serious violence offences have reduced by 7% when compared to the previous 12-month period. Knife enabled serious violence accounted for 5% of the total serious violence offences in the 12 months to February 2025, which is comparable to the previous period.

Total recorded crime has reduced in all area commands for 2024/25 compared to the previous year, with total recorded crime in Newcastle, South Tyneside, Sunderland and Northumberland reducing by 4%.

Shoplifting, drug crime and sexual offences have increased in all area commands, with South Tyneside experiencing the largest increase for shoplifting 32% (+589 offences), drug crime 54% (+154 offences) and North Tyneside having the largest increase sexual offences 25% (+156 offences).

A 4P Plan (Pursue, Prepare, Protect, Prevent) coordinates the targeted approach Northumbria Police is taking to reduce serious violence. Key activities include:

- **Serious Violence Dashboard:** This dashboard enhances data and intelligence use for operational and preventative measures.
- **Serious Violence Disruption Unit (SVDU):** Targeted deployment to pursue, disrupt, and prosecute individuals involved in knife crime and serious violence.
- **Technology and Innovation:** Utilising tools like knife arches and knife wands to increase public protection and reassurance.
- **Youth Diversion:** Providing intensive, tailored support to divert young people from gangs and serious violence.
- **Community Resilience:** Building positive relationships between schools and police to address violent offending.
- **Specialist Capabilities:** Using force and regional resources to pursue, disrupt, and prosecute serious violence offenders.
- **Project Shield:** The Hotspot Action Fund has been agreed continue for a further 12 months. This funding will support the Government's 'Safer Streets Mission' to halve knife crime over the next ten years, and to crack down on anti-social behaviour (ASB).

Collaboration

During 2024/25 Northumbria Police and the Police and Crime Commissioner were parties to a number of collaboration agreements, details of which can be found on the Police and Crime Commissioners' website. The North East Regional Organised Crime Unit (NEROCU) is the principal collaboration arrangement between Northumbria, Durham and Cleveland and is accounted for as a Joint Operation in the financial statements. A summary of the financial performance is included below, and further detail is provided in **Note 13** to the financial statements.

North East Regional Organised Crime Unit (NEROCU)

The North East Regional Organised Crime Unit (NEROCU) is one of 10 ROCUs across England and Wales.

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The unit works with embedded partners from His Majesty's Revenue and Customs (HMRC), UK Border Force and the National Crime Agency (NCA) to make the region a place hostile to serious and organised crime.

NEROCU is categorised as a Joint Operation in line with the Accounting for Collaboration guidance issued by CIPFA. The NEROCU revenue outturn position for 2024/25 and the share attributable to Northumbria are set out in the following table:

NEROCU Outturn 2024/25		
NEROCU Revenue Budget	NEROCU £	Northumbria £
Expenditure	20,393	10,800
Income	(7,003)	(3,708)
Net Expenditure	13,390	7,092
Funded by:		
Force Contributions	13,381	7,087
Transfer to NEROCU Reserve	9	5
Total	13,390	7,092

Northumbria Police made a revenue contribution of £7.087 million to NEROCU for 2024/25 there has also been a transfer from reserves of £0.005 million which was prior year funding being applied to spend.

Provisions and Contingent Liabilities

Provisions

Provisions are made where a liability exists based on a past event which will probably be settled through a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount required to settle the obligation. Provisions 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.

A number of Forces including Northumbria are currently dealing with legal claims from serving and retired officers which relate to a specialist area of policing. These claims are for remuneration in relation to past service under police regulations. The Chief Constable has a number of such claims and whilst the majority of cases have been settled as at the balance sheet date, there remain a small number of claims and costs outstanding which are expected to be finalised in 2024/25. The balance on the employee remuneration provision at 31 March 2025 is set at a prudent level estimated to settle all such claims.

Contingent Assets & Liabilities

A contingent asset or liability is defined as a possible receipt (asset) or obligation to pay out (liability) based on a past event, but for which confirmation of the receipt / payment is uncertain as it depends on a future event. For example: pending legal claims. Unlike provisions, contingent liabilities do not result in an accounting entry as they are uncertain and cannot be reliably estimated, however a disclosure is made in the statements.

Disclosure has been made in the statements regarding a number of contingent liabilities.

During any financial year we will receive a number of legal and other claims in relation to employment, insurance and other issues. Many of these are subject to legal process and therefore the possibility of a future obligation is uncertain. The accounting rules classify such possible obligations as 'contingent liabilities'. They 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. No specific charges are made to the accounts.

A contingent liability has been disclosed to reflect the potential liability for additional claims from current and former officers in relation to past service under police regulations and employment issues relating to past years, over and above the amounts included within the provision described above.

A further contingent liability has been disclosed in relation to compensation claims for ‘injury to feelings’ in relation to the McCloud/Sargeant judgement (2015 Police Pension Scheme transitional arrangements).

Provisions and contingent liabilities are further detailed in **Note 16** to the core financial statements.

Accounting for Pensions

Retirement benefits (pensions) are offered to officers and staff as part of the terms and conditions of employment. Employees can choose to opt out of the scheme at any time. Although benefits will not be payable until employees retire, the Chief Constable has a commitment to account for these at the time that employees earn their future entitlement.

Pensions are accounted for in accordance with International Accounting Standard 19 (IAS19).

This standard is based on a principle that an organisation should account for its retirement benefits when it is committed to giving them, even if the actual payment of those benefits will be many years into the future. The net overall impact of IAS19 accounting entries is neutral in the accounts. The pension liability, which is disclosed on the Balance Sheet, (balanced by the Pension Reserve) shows the underlying commitment that the Chief Constable has in the long run to pay retirement benefits. Recognition of the total liability has a substantial impact on the net worth as recorded in the Balance Sheet.

The Police Pension Scheme (1987), the Police Pension Scheme (2006) and the Police Pension Scheme (2015), are collectively known as the Police Pension Scheme. This is a wholly unfunded scheme for which the Chief Constable is Scheme Manager². The Chief Constable has a Police Pensions Board, established in 2015 under Section 5 of the Public Services Pension Act, which provides local administration and governance for the Scheme.

The Chief Constable makes contributions to the Pension Fund based on a percentage of officers’ pensionable salaries and additional contributions for officers retiring due to ill health. The regulations³ governing funding arrangements require that if the Pension Fund does not have sufficient funds to meet the cost of pensions in any year, the amount required to meet the deficit must be transferred from the Police Fund to the Pension Fund. 100% of this deficit is met through the payment of a top-up grant paid by the Home Office. The top-up grant paid by the Home Office in 2024/25 is £69.594 million (£65.906 million in 2023/24).

Police staff can be members of the Tyne and Wear Pension Fund, a Local Government Pension Scheme administered by South Tyneside Council. The Chief Constable makes employer contributions on the basis of an agreed percentage of employees’ pensionable salaries to the Tyne and Wear Pension Fund. Employer contributions are based on an independent actuarial valuation of the fund which is carried out every three years. The Chief Constable also has to meet the pension costs of employees who have left employment due to ill health or where early retirements have been agreed and makes additional contributions to make good the shortfall in the pension fund, known as deficiency payments.

The Chief Constable is required to maintain a pensions reserve on the Balance Sheet for officers and staff. The reserve is termed ‘unusable’ as it is not cash backed but contains book entries to recognise the estimated liability/asset that the Chief Constable has committed to provide in the future, for service completed up to the Balance Sheet date. The pension liability/asset is valued using an actuarial valuation and can fluctuate dependent on external factors and changes in actuarial assumptions.

The net pension liability/asset on the Balance Sheet shows the underlying commitment that the Chief Constable has in the long run to pay post-retirement benefits. The net liability of £2.965 billion (£3.252 billion in 2023/24) has a substantial impact on the net worth of the Chief Constable as recorded in the Balance

² Public Service Pension Act 2013 (section 4)

³ Police Pension Fund Regulations 2007 (SI 2007/1932)

Narrative Statement

Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Chief Constable remains healthy.

Pensions - Balance Sheet Net (Liability)/Asset	31/03/2024 Long-Term (Liability)/Asset £000	31/03/2025 Long-Term (Liability)/Asset £000
Police Staff	31,220	(2,080)
Police Officers	(3,282,810)	(2,962,670)
Chief Constable Net Position (Liability)	(3,251,590)	(2,964,750)

As at 31 March 2025 the net pension liability for the Chief Constable is £2.965 billion. Last year the staff fund was in an asset position for the Chief Constable and reflected on the balance sheet as such. For 2024/25 the asset restriction on the funded scheme means that this asset is no longer recognised, the result of which is the unfunded scheme liability being included in the overall pensions liability.

Explanation of the Key Statements

The Statements of Account consists of four main statements and various disclosure notes as follows:

The Movement in Reserves Statement (MiRS Page 27) - Shows the changes in the Chief Constable's financial resources over the year to help readers to understand how the balances have changed over the year. Information on the pension and accumulated absence reserves can also be found in the Balance Sheet and related notes.

The Comprehensive Income and Expenditure Statement (CIES Page 29) - Shows the gains and losses that contributed to these changes in resources. The CIES shows the economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation as shown in the MiRS above.

The Balance Sheet (Page 30) - Shows the Chief Constable's financial position and net liabilities at the financial year-end. The Balance Sheet reflects current liabilities and current assets that are in substance the Chief Constable's at the Balance Sheet date, offset by a corresponding debtor from the Commissioner to reflect the fact that all payments are made in the name of the Commissioner.

The Cash Flow Statement (Page 31) – shows how the movement in resources has been reflected in cash flows generated and used during the year.

Supplementary Financial Statements:

Police Officer Pension Fund Statements (Page 65) - Shows the Police Pension Fund Account for the year, for which the Chief Constable is the Scheme Manager⁴.

Documents Supporting the Statements of Account:

Annual Governance Statement (Page 67) – This statement is required by regulations⁵ to accompany the Statements of Account, it is an assessment of the Chief Constable's corporate governance and internal control.⁶

Significant Changes since 2023/24

There have been no significant changes to the financial statements since 2023/24.

⁴ Public Service Pension Act 2013 (section 4)

⁵ Regulation 10 of Accounts and Audit (England) Regulations 2015 (available from the governments legislation website)

⁶ In line with Regulation 6 of the Accounts and Audit (England) Regulations 2015

Outlook for 2025/26 and Beyond

The Commissioner has agreed a Medium-Term Financial Strategy (MTFS) which sets out the key financial issues over 2025/26 to 2028/29. Whilst the MTFS covers a period of four years, it is reviewed annually to reflect the dynamic nature of both policing and changes in anticipated funding. It describes the financial direction of the organisation and provides projections for the revenue budget and capital programme over the medium-term.

The MTFS 2025/26 to 2028/29 will continue to deliver and build upon the investment in policing for Northumbria residents approved by the former Commissioner in 2024/25. The Strategy will assist the Force to become better prepared to meet future demand; maintain the increase in police officer numbers delivered through the national police officer Uplift programme; Deliver the much-welcomed boost to Neighbourhood Policing by the new government to help deliver local plans; and allow Northumbria Police to invest in the right resources to protect the vulnerable, tackle crime and keep our communities safe.



The overall financial strategy seeks to deliver the Commissioner's Police and Crime Plan, building Safer Streets and Stronger Communities. It will support delivery of national policing priorities under the Government's Safer Streets mission, support the Purpose, Vision and Objectives of the Northumbria Force Strategy and meet the requirements of the National Strategic Policing Requirement.

The Commissioners MTFS was established to make the best use of the financial settlement 2025/26, whilst making prudent assumptions on future funding levels and expected budget requirements, to ensure that resources remain available to meet operational demand, continue to deliver value for money and are sustainable across the period of the MTFS.

The Police Grant Report for 2025/26 confirmed an increase of approximately £770 million in government grant income for PCCs nationally which includes:

- An increase of £339 million to Core Grant.
- £230 million to compensate territorial forces for the costs of the change to the employer National Insurance Contributions from 2025/26.
- An additional £200 million to kickstart the first phase of 13,000 additional police officers, PCSOs and special constables into neighbourhood policing roles.
- The increase of £339 million to Core Grant was confirmed by the Home Office as being partially offset by a reduction of £75 million to the amount paid to forces as ring-fenced Uplift Grant, with the net increase being £264 million.

Narrative Statement

The Government's priorities are outlined in the [Written Ministerial Statement](#) (WMS) on the Provisional Police Grant Report 2025/26. The Minister of State for Policing, Fire and Crime Prevention set out an expectation that police forces approach the 2025/26 financial year with a focus on delivering the government's priorities, as set out in the Prime Minister's Plan for Change:

- Increasing the number of officers, PCSOs and Special Constables in neighbourhood policing teams.
- Tackling violence against women and girls.
- Reducing knife crime.
- Cracking down on anti-social behaviour.
- And by doing these things, increasing public confidence in policing.

The actual settlement increase for Northumbria was £19.714 million. The increase is explained in further detail in the following table:

Northumbria Settlement	£m
Core Grant – formula funding share (3.08%) of £339.000 million	10.441
Uplift Grant – Reduction in ring-fenced grant, formula funding share (3.08%) of £75.000 million.	(2.310)
National Insurance Compensation Grant – New for 2025/26	5.736
Neighbourhood Policing Grant – New for 2025/26	6.160
Other movements – Reduction of £0.823 million to Special Pension Grant offset by increase of £0.510 million to the Uplift Additional Recruitment grant reflecting the higher cost of officers.	(0.313)
Total Increase in Funding	19.714

Whilst the increase in government grant funding appears significant, it is substantially targeted to pay for maintenance of the national police officer Uplift, new investment in Neighbourhood Policing and to offset specific additional costs of National Insurance.

The allocation to Northumbria for Neighbourhood Policing investment is £6.160m. Northumbria, along with other forces nationally have submitted delivery plans to the Home Office for use of these funds. The force aims to utilize the grant in full in order to deliver the government's priorities and to maximize the overall benefit for Northumbria residents. Plans in Northumbria aim to deliver 95 additional police officers, 27 PCSOs and 30 Special Constables.

Capital grant funding allocated by the Government for Northumbria is nil, as for 2024/25. The lack of Government support for the vital capital investment needed by policing remains a significant challenge for Northumbria and indeed all forces. Investment in sustainable technologies, vehicles, and estates as well as the digital transformation required to ensure the Force remains fit for the future, comes at a considerable cost. Capital investment required over the medium-term is estimated at more than £144.000 million for Northumbria. Without the necessary financial support from Government the essential cost of that investment will need to be met by efficiencies, budget reductions and places further pressure on the vital funding provided by local residents.

The Commissioner approved an increase in the Council Tax Precept for 2025/26 of £14.00 per year for a Band D property. The additional income generated by the precept increase is £5.925 million which will help keep the force appropriately resourced, meet budgetary pressures and allow for some investment. Potential areas include:

- Prevention of ASB in urban and rural communities.
- Tackling fraud and online crimes.
- Targeting offenders and preventing Child Sexual Exploitation (CSE).
- Increasing resources, to help bring offenders to justice.

The MTFS 2025/26 to 2028/29 financial forecast sets out one scenario for what we think the overall funding might look like for Northumbria Police over the four years. However, there are many unknowns within the current economic and political environment and together with a one-year settlement for 2025/26 only, it remains extremely difficult to predict an accurate financial picture with a high degree of confidence. The budget estimates for future years will require further consideration as the financial landscape becomes clearer and government funding support beyond the 2025/26 financial year is confirmed.

The Commissioner's MTFS for 2025/26 through to 2028/29 demonstrates a balanced sustainable financial position over the medium term. However, this is predicated on many key assumptions around resource requirements, future costs, and levels of total funding. Given that yet again, Northumbria are faced with a one-year settlement for 2025/26, with no information provided for future years, there remains a level of risk throughout the period of the MTFS and therefore the financial context for Northumbria Police remains extremely challenging.

The MTFS can be found on the Commissioners website.

The National Uplift Programme

As part of the National Police Uplift Programme, forces across the country were given recruitment targets to be achieved from September 2019 to March 2023, with an aim of increasing the number of police officers by 20,000 nationally. The Uplift target for Northumbria was 615 additional police officers by March 2023 and Northumbria fully delivered against this target.

In addition to the national Uplift target the Force took the decision to commit to recruiting additional numbers in 2022/23 which took them over and above the original target set by the Government, delivering a further 78 officers.

At the start of the 2024/25 financial year the Force were also successful in securing temporary funding from government to recruit an additional 31 officers during the year.

In 2024/25 the Force was able to successfully maintain the higher Uplift target, and in the Police Grant Settlement for 2025/26 the Government have confirmed the additional numbers are added to the 'Uplift baseline' for Northumbria bringing the total Uplift allocation to 724 officers.

Significantly, a large proportion of government grant funding provided for Uplift has not yet been baselined into core grant and remains allocated as Special Grant, confirmed on a year-by-year basis which presents a risk to the longer-term sustainability of those additional officer numbers.

Events after the reporting period

Virgin Media Case

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 judgement has now been upheld by the Court of Appeal. The Local Government 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 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, Northumbria Police does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Police Reform

On 13 November 2025, the UK Government announced that Police and Crime Commissioners (PCCs) will be abolished at the end of the current electoral cycle in 2028, with their statutory functions transferring to regional mayors or, where no mayoral structure exists, to elected local council leaders. This reform forms

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part of wider national changes to police governance aimed at reducing bureaucracy and improving accountability, and is expected to deliver savings of at least £100 million across the current parliament. PCCs will continue to operate until the end of their current terms, after which the new governance arrangements will take effect.



Gail Thompson BSc (Hons) CGMA
Chief Finance Officer

Date 27/02/2026

Statement of Responsibilities

The Chief Constable's Responsibilities

The Chief Constable is required to:

- Appoint a person (Chief Finance Officer) to be responsible for the proper administration of her financial affairs;
- Manage her affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statements of Account



Vanessa Jardine

Date 27/02/2026

Chief Constable for Northumbria

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Chief Constable's Statements of Account. This has been done in accordance with proper practices as set out in the CIPFA / Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing these Statements of Account, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code.
- The Chief Finance Officer has also:
- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Finance Officer's Certificate

I hereby certify that the Statements of Account for the year-ended 31 March 2025, required by the Accounts and Audit Regulations are set out in the following pages.

I further certify that the Statements of Account gives a true and fair view of the financial position of the Chief Constable at 31 March 2025 and of her income and expenditure for the year-ended 31 March 2025.



Gail Thompson BSc (Hons) CGMA

Date 27/02/2026

Chief Finance Officer

Core Financial Statements

Comprising:

- Movement in Reserves Statements
- Comprehensive Income and Expenditure Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the Single Entity Financial Statements

Movement in Reserves Statement

Movement in Reserves Statement 2024/25

	Note	General Fund £000	Total Usable Reserves £000	Pensions Reserve £000	Accumulated Absences Account £000	Total Unusable Reserves £000	Total Reserves £000
Balance as at 31 March 2024		-	-	(3,251,590)	(18,042)	(3,269,632)	(3,269,632)
<u>Movement in reserves during 2024/25</u>							
Total Comprehensive Income and Expenditure		(113,884)	(113,884)	404,179		404,179	290,295
Adjustments between Accounting Basis & Funding Basis under regulations	9(a)	113,884	113,884	(117,339)	3,455	(113,884)	-
Net Increase / (Decrease) before Transfers (To) / From Earmarked Reserves		-	-	286,840	3,455	290,295	290,295
Transfers (To) / From Earmarked Reserves		-	-	-	-	-	-
Increase / (Decrease) in Year		-	-	286,840	3,455	290,295	290,295
Balance as at 31 March 2025		-	-	(2,964,750)	(14,587)	(2,979,337)	(2,979,337)

Movement in Reserves Statement

Movement in Reserves Statement 2023/24

	General Fund £000	Total Usable Reserves £000	Pensions Reserve £000	Accumulated Absences Account £000	Total Unusable Reserves £000	Total Reserves £000
Note						
Balance as at 31 March 2023	-	-	(3,238,390)	(16,060)	(3,254,450)	(3,254,450)
<u>Movement in reserves during 2023/24</u>						
Total Comprehensive Income and Expenditure	(126,332)	(126,332)	111,150		111,150	(15,182)
Adjustments between Accounting Basis & Funding Basis under regulations	9(a) 126,332	126,332	(124,350)	(1,982)	(126,332)	-
Net Increase / (Decrease) before Transfers (To) / From Earmarked Reserves	-	-	(13,200)	(1,982)	(15,182)	(15,182)
Transfers (To) / From Earmarked Reserves	-	-	-	-	-	-
Increase / (Decrease) in Year	-	-	(13,200)	(1,982)	(15,182)	(15,182)
Balance as at 31 March 2024	-	-	(3,251,590)	(18,042)	(3,269,632)	(3,269,632)

Comprehensive Income and Expenditure Statement

Comprehensive Income and Expenditure Statement						
2023/24				2024/25		
Gross Expenditure £000	Income £000	Net Expenditure £000	Service Expenditure Analysis	Gross Expenditure £000	Income £000	Net Expenditure £000
376,980	-	376,980		390,051	-	390,051
5,924	-	5,924		5,647	-	5,647
-	(404,762)	(404,762)		-	(433,514)	(433,514)
382,904	(404,762)	(21,858)		395,698	(433,514)	(37,816)
		148,190	Financing and Investment Income and Expenditure (Interest on the net defined benefit pension Liability / (Asset))			151,700
		126,332	(Surplus) / Deficit on Provision of Services			113,884
		(111,150)	Re-measurements of the net defined pension benefit Liability / Asset			(404,179)
		(111,150)	Other Comprehensive (Income) and Expenditure			(404,179)
		15,182	Total Comprehensive (Income) and Expenditure			(290,295)

Balance Sheet

Balance Sheet			
31 March 2024		31 March 2025	Notes
£000		£000	
31,220	Long-Term Assets (Pensions)	-	18 (a)
31,220	Long-Term Assets	-	
14,915	Short-Term Debtors	14,767	14
14,915	Current Assets	14,767	
(326)	Short-Term Provisions	(224)	16
(32,631)	Short-Term Creditors	(29,130)	15
(32,957)	Current Liabilities	(29,354)	
(3,282,810)	Other Long-Term Liabilities (Pensions)	(2,964,750)	18 (b)
(3,282,810)	Long-Term Liabilities	(2,964,750)	
(3,269,632)	Net Assets	(2,979,337)	
Usable Reserves			
-	General Reserve	-	
Unusable Reserves			
(18,042)	Accumulated Absence Account	(14,587)	
(3,251,590)	Pensions Reserve	(2,964,750)	9
(3,269,632)	Total Reserves	(2,979,337)	

I certify that the Balance Sheet position gives a true and fair view of the financial position of the Chief Constable at 31 March 2025.



Gail Thompson BSc (Hons) CGMA

Date 27/02/2026

Chief Finance Officer

Cash Flow Statement

Cash Flow Statement		
2023/24 £000		2024/25 £000
126,332	(Surplus) / Deficit on the Provision of Services	113,884
	Adjustments to (Surplus) / Deficit on the Provision of Service for Non-Cash Movements:	
(124,350)	Pension Adjustments	(117,339)
46	Contributions To / (From) Provisions	102
(1,982)	Other Non-Cash Movements	3,456
	Accruals Adjustments:	
285	Increase / (Decrease) in Debtors	131
(331)	(Increase) / Decrease in Creditors	(234)
-	Net cash flows from Operating Activities	-
-	Net (Increase) / Decrease in Cash and Cash Equivalents	-
-	Cash and Cash Equivalents at the Beginning of the Period	-
-	Cash and Cash Equivalents at the End of the Period	-

I. Expenditure and Funding Analysis (EFA)

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax payers how the funding available to the Chief Constable (i.e. the financing provided by the Police and Crime Commissioner) for the year has been used in providing services in comparison with those resources consumed by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between reportable segments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net expenditure chargeable to the general fund shown for Police Services of **£357.679 million** comprises the outturn position against the Chief Constables revenue budget of **£357.674 million** plus the transfer from the NEROCU reserve of **£0.005 million**.

Expenditure and Funding Analysis						
2023/24				2024/25		
Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
329,769	47,211	376,980	Service Expenditure Analysis			
-	5,924	5,924	Police Services	357,679	32,096	389,775
(329,769)	(74,993)	(404,762)	Policing Funds (managed by the PCC)	-	5,647	5,647
-	(21,858)	(21,858)	PCC Financing of Police Services	(357,679)	(75,559)	(433,238)
-	148,190	148,190	Net Cost of Services	-	(37,816)	(37,816)
-	126,332	126,332	Other Income and Expenditure	-	151,700	151,700
-	-	-	(Surplus) / Deficit on Provision of Services	-	113,884	113,884
-	-	-	Opening General Fund Balance at 31 March	-	-	-
-	-	-	Surplus / (Deficit) on General Fund in Year	-	-	-
-	-	-	Closing General Fund as 31 March	-	-	-

Notes to the Core Financial Statements

a) Note to the EFA – Adjustment between funding and accounting basis

The following table sets out the total adjustments between the financial performance of the Chief Constable under the funding position and the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

2024/25				
Adjustments between Funding and Accounting Basis				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net Change for the Pensions Adjustments £000	Accumulated Absence £000	Adjustments between Service Lines £000	Total Adjustments £000
Police Services	(34,361)	(3,455)	69,912	32,096
Policing Funds (managed by the PCC)	-	-	5,647	5,647
PCC Financing of Police Services	-	-	(75,559)	(75,559)
Net Cost of Services	(34,361)	(3,455)	-	(37,816)
Other Income and Expenditure	151,700	-	-	151,700
(Surplus) / Deficit on Provision of Services	117,339	(3,455)	-	113,884

2023/24				
Adjustments between Funding and Accounting Basis				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net Change for the Pensions Adjustments £000	Accumulated Absence £000	Adjustments between Service Lines £000	Total Adjustments £000
Police Services	(23,840)	1,982	69,069	47,211
Policing Funds (managed by the PCC)	-	-	5,924	5,924
PCC Financing of Police Services	-	-	(74,993)	(74,993)
Net Cost of Services	(23,840)	1,982	-	(21,858)
Other Income and Expenditure	148,190	-	-	148,190
(Surplus) / Deficit on Provision of Services	124,350	1,982	-	126,332

2. Expenditure and income Analysed by nature

The Code of Practice requires the Chief Constable to disclose information on the nature of expenses. The Chief Constable's expenditure and income for 2024/25 (and 2023/24 comparative) is analysed as follows

Expenditure and Income Analysed by Nature		
Expenditure / Income	2023/24 £000	2024/25 £000
Expenditure		
Employee benefits expenses	306,573	317,947
Other employee expenses	8,586	8,115
Premises	11,974	11,204
Transport	6,243	5,827
Supplies and services	25,989	29,251
Third party payments	8,566	8,860
Charge for use of assets	14,973	14,494
Interest on the net defined benefit pension liability	148,190	154,160
Total Expenditure	531,094	549,858
Income		
PCC financing of police services	(404,762)	(433,514)
Interest on the net defined benefit pension liability	-	(2,460)
Total Income	(404,762)	(435,974)
(Surplus) / Deficit on the Provision of Services	126,332	113,884

3. Statement of Accounting Policies

Introduction

The purpose of this Statement of Accounting Policies is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

Accounting policies are the principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, selecting measurement bases for and presenting assets, liabilities, gains, losses and changes in reserves.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Going Concern Basis of Accounting

The provisions in the CIPFA Code of Practice on Local Authority Accounting in the UK (the Code), on the going concern accounting requirements reflect the economic and statutory environment in which local authorities operate. The Chief Constable prepares the financial statements as set out under the provisions of the Code.

Paragraph 3.4.2.23 of the Code confirms that: Local authorities that can only be discontinued under statutory prescription shall prepare their financial statements on a going concern basis of accounting; that is, the

Notes to the Core Financial Statements

financial statements shall be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

These provisions confirm that such authorities have no ability to cease being a going concern as described by IAS 1 Presentation of Financial Statements (i.e. management deciding to liquidate the entity or cease trading). As authorities cannot be created or dissolved without statutory prescription, it would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis.

The requirements to use the going concern basis of accounting means that relevant authorities therefore cannot apply paragraph 25 of IAS 1 mandating management to make an assessment of the authority's ability to continue as a going concern. The going concern assumption under the Code is therefore drawn up to assume that a local authority's services will continue to operate for the foreseeable future.

There is an equivalent disclosure in the Single Entity Police and Crime Commissioner accounts as the section 151 Officer is the same for both and therefore the same principals apply.

Basis of Preparation

The financial statements are prepared on the assumption that the functions of the Police and Crime Commissioner for Northumbria will continue in operational existence for the foreseeable future. This is evidenced through the Commissioner's:

- Medium Term Financial Strategy (MTFS)
- Capital Strategy
- Reserves Strategy Statement
- Treasury Management Policy and Strategy

All of these documents are published annually and can be found at the Commissioner's website under 'Key Decisions'.

The Police and Crime Commissioner's reserves position as at 31 March 2025, as reported in these statements, show the General Reserve at £12.360m which reflects approximately 3.0% of the revenue budget for 2025/26. The Commissioner's strategy for General Reserves is that these will be maintained at a minimum of 2% of the net revenue budget, to cover any major unforeseen expenditure or loss of funding. The balance held at the year-end therefore exceeds the minimum requirements of the General Reserves strategy.

In addition, the Commissioner maintains Earmarked Reserves to address specific risks for Northumbria, and which are consistent with achieving the objectives set within the term of the Medium-Term Financial Strategy (MTFS) and Reserves Strategy Statement. Earmarked Reserves total £38.190m as at 31 March 2025 and are considered to be appropriate, of sufficient value and fit for their intended purpose.

A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure all risks and uncertainties affecting the Commissioner's financial position are identified. An assessment is made of the likelihood and impact of each risk and the management controls in place to provide mitigation.

Prudential Indicators are approved annually and monitored throughout the year in respect of capital program expenditure, capital financing and Treasury Management activities.

The Commissioner has carried out an assessment of the impact of foreseeable changes on future income and expenditure, including a cash flow forecast up to 31 March 2027, and is satisfied that there is no material uncertainty relating to the going concern basis.

The Commissioner thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Authority will be a going concern, 12 months from the date of the audit report.

Except where specified in the Code, estimation techniques that most closely reflect the economic reality of the transactions based on all known facts available have been used.

Notes to the Core Financial Statements

The Accounting concepts and policies which have a material impact on the accounts are as follows:

a) Police Reform and Social Responsibility Act 2011

The Police Reform and Social Responsibility Act 2011 (the Act) established both the Police and Crime Commissioner for Northumbria (the Commissioner) and the Chief Constable for Northumbria as two separate corporations sole, and the statutory accounting arrangements for both entities fully comply with this Act.

By virtue of the powers and responsibilities of the Commissioner as designated by the Act and the Home Office Financial Management Code of Practice, the Commissioner controls the Chief Constable for financial reporting purposes and as such is required to prepare consolidated financial statements for the Group (the Commissioner and the Chief Constable) as well as her own (Police and Crime Commissioner) single-entity accounts. The Chief Constable, who is treated as a subsidiary of the Commissioner, has prepared single-entity accounts.

All expenditure for the Group is paid for by the Commissioner from the Police Fund. All income and funding is paid into the Police Fund and recognised in the Commissioner's accounts. The Group financial statements consolidate all income, expenditure, assets, liabilities, reserves and cash flows of the Group.

The Chief Constable manages expenditure in relation to policing within the budget set by the Commissioner. These Statements of Account presents expenditure on policing following appropriate accounting practice.

The requirement to prepare consolidated financial statements for the Group as well as single-entity accounts for the Commissioner and Chief Constable required a judgement as to what to recognise in each set of financial statements.

The following gives further context to the accounting recognition in each entity. At 31 March 2025, all assets, liabilities and reserves were the responsibility of the Commissioner. The Commissioner owns and controls all non-current assets, loans, investments and borrowing. All contracts are in the Commissioners name. The Commissioner controls the bank account, is responsible for all liabilities, and controls all usable reserves. The Commissioner is the recipient of all income including government grants, Precepts and other sources of income which are paid into the Police Fund, and all expenditure of the Chief Constable is funded by the Commissioner from the Police Fund. There are no cash transactions between the two bodies.

However, the recognition of expenditure in the single-entity accounts of the Chief Constable and the Police and Crime Commissioner is based on economic benefit and service potential derived by each. Under the provisions of the Act, the Chief Constable is responsible to the Commissioner for the day to day provision of the policing function. In so doing, the Chief Constable consumes the Commissioner's resources in fulfilling the statutory functions. Local governance arrangements, give day to day responsibility for financial management of the Force to the Chief Constable within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner. Consequently, expenditure in relation to policing is recognised in the financial statements of the Chief Constable funded by a credit from the Commissioner for resources consumed. Similarly, following the CIPFA guidance on best practice, the liabilities associated with the employee costs disclosed in the Chief Constable's Accounts are also shown in the Chief Constable's Balance Sheet rather than that of the Commissioner.

All income, as well as expenditure directly controlled by the Commissioner, in relation to her Office and a number of Specific Grants and other funding streams, is recognised in the financial statements of the Commissioner.

In order to show the total economic cost of policing in the Chief Constable's accounts the following charges, under the control of the Commissioner, are included as a proxy in the Chief Constable's Comprehensive Income and Expenditure Statement:

- The use of non-current assets equivalent to the depreciation, impairment, amortisation and revaluation of the assets charged to the Commissioner - £14.494 million.

Notes to the Core Financial Statements

- The cost of insurance and support services expended by the Commissioner but provided to support the Chief Constable in the provision of policing - £0.175 million.

There is a need to properly reflect the cost of the joint Chief Finance Officer between the two corporate bodies and therefore the following charge under the control of the Chief Constable is included in the Commissioner's Comprehensive Income and Expenditure Statement:

- The proportion of the Joint Chief Finance Officer (CFO) role attributed to the statutory functions provided under the OPCC - £0.028 million in 2024/25.

The following intra-group transactions are included in the single-entity accounts but eliminated from the Group accounts:

- A debit for the resources consumed by the Chief Constable is included in the Comprehensive Income and Expenditure Account of the Commissioner with a corresponding credit in the Comprehensive Income and Expenditure Statement of the Chief Constable; and
- The Chief Constable's Balance Sheet includes any creditors and debtors in relation to the cost of policing offset by a balancing net debtor of 'resources consumed by the Chief Constable but no cash payment made by the Commissioner, or payments made by the Commissioner in advance of services received by the Chief Constable at the Balance Sheet date' with a corresponding net creditor in the Commissioner's Balance Sheet.

b) Accruals of expenditure and income

The financial statements, other than the cash flow, are prepared on an accruals basis. This means that activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventory in the Balance Sheet of the Police and Crime Commissioner;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

c) Charges to revenue for non-current assets

The Commissioner owns and controls all non-current assets but makes them available to the Chief Constable to deliver the policing function. The Commissioner's accounts must be debited with the cost of holding non-current assets during the year. The Chief Constable's accounts include a proxy charge for the use of those assets equivalent to depreciation, revaluation, impairment, and amortisation of non-current assets.

d) Employee benefits

Benefits payable during employment

Short-term employee benefits, such as salaries, paid annual leave, paid sick leave and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render services. An accrual is made for the cost of holiday entitlements and other short-term absences earned by employees but not taken before the year-end, and which employees can carry forward into the next financial year.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate a member of staff's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy and are charged on an accruals basis in the Comprehensive Income and Expenditure

Notes to the Core Financial Statements

Statement. When an offer to encourage voluntary redundancy is made to a group of employees, a provision or contingent liability will be included in the accounts.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Chief Constable to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amount payable but unpaid at the year-end.

Post-employment benefits (pensions)

As part of the terms and conditions of employment, the Chief Constable offers retirement benefits by participating in pension schemes. These are the Police Pension Scheme 1987, the New Police Pension Scheme 2006, the Police Pension Scheme 2015 and the Tyne and Wear Pension Fund, all of which offer defined benefits related to pay and service:

The Police Pension Schemes are unfunded defined benefit schemes, for which contributions are paid into a Pension Fund and pensions paid from the Fund. The deficit each year on the Fund is balanced to nil at the end of each year by receipt of a pension top up grant via the Commissioner from the Home Office. There are no investment assets built up to meet the pension liabilities and cash has to be generated by the Home Office to meet actual pension payments as they eventually fall.

The Tyne & Wear Pension Fund is a Local Government Pension Scheme administered by South Tyneside Council. It is classified as a funded defined benefit scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level estimated to balance the pensions' liabilities with investment assets.

Although retirement benefits will not actually be payable until employees retire, the Chief Constable has a commitment to recognise liabilities at the point at which employees earn their future entitlement. The aim is to ensure that the true net asset / liability of a defined benefit pension scheme is recognised in the Balance Sheet, and the true costs of retirement benefits are reflected in the Comprehensive Income and Expenditure Statement.

Movements during the year in the net asset / liability of the pension scheme are reflected in the Comprehensive Income and Expenditure Account. Actuarial gains and losses on fund assets and liabilities are recognised in the Comprehensive Income and Expenditure Account.

As with capital charges, pension entries are reconciled back to cash amounts payable to ensure that there is no effect upon Council Tax Precept or the General Fund.

Further information relating to pension costs is included in the notes to the accounts.

e) Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statements of Account are 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 Statements of Account are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statements of Account are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements of Account.

f) Prior period adjustments

The majority of prior period items arise from corrections and adjustments that are the natural result of estimates inherent in the accounting process. Such adjustments constitute normal transactions in the year in which they are identified. Changes in accounting estimates are accounted for prospectively, i.e. In the current and future years affected by the change and do not give rise to a prior period adjustment.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

There are no prior period adjustments for the 2024/25 accounts.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term financial instrument covers both financial assets and financial liabilities and includes both the most straightforward financial instruments (e.g. trade payables and receivables) and the most complex such as equity instruments.

Typical financial instruments are trade payables and trade receivables, borrowings, bank deposits and investments. As the Police and Crime Commissioner is responsible for all income, borrowing and investments, the only financial instruments held by the Chief Constable are trade payables and trade receivables.

Financial Assets

Financial assets are assets that have fixed or determinable payments but are not quoted in an active market. These assets are initially measured at fair value and carried at their amortised cost.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost.

h) Provisions and contingent liabilities**Provisions**

Provisions are made where an event has taken place that gives the Chief Constable 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.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities for 2024/25 are set out at **Note 16** to the Accounts.

Notes to the Core Financial Statements

i) Reserves

The Chief Constable maintains reserves which are classified as either usable (backed by cash) relating to the General Fund, or unusable (not backed by cash) adjustment accounts kept to manage the accounting processes for the Accumulated Absences Account and the Pension Fund.

As the Police and Crime Commissioner is responsible for all usable reserves and the level held, the Chief Constable's general reserve is maintained at a nil balance. Further information on the Chief Constable's reserves including the movement in-year is set out at **Note 9** to the Accounts.

j) Value Added Tax (VAT)

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable from HM Revenue and Customs.

k) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control.

Expenditure relating to the cost of Joint Arrangements is charged to the Comprehensive Income and Expenditure Statement (CIES) of the Chief Constable with any associated income being shown against the CIES for the Commissioner Single Entity.

Any assets held jointly are accounted for on the Balance Sheet of the Police and Crime Commissioner Single Entity and Group as the percentage share of assets attributable to the Police and Crime Commissioner for Northumbria.

The Force currently has a Joint Arrangement with Durham and Cleveland, the North East Regional Organised Crime Unit (NEROCU). Further detail of the arrangements in place and the outturn for 2024/25 is shown at **Note 13**.

4. Critical Judgement in applying accounting policies

In applying its accounting policies, certain judgements have been made about the complex transactions or those involving uncertainty about future events. The most significant areas where judgements have been necessary are:

- Accounting for pension liabilities; and
- Accounting recognition of assets, liabilities, reserves, revenue and expenditure following introduction of the new governance arrangement under provisions of the Police Reform and Social Responsibility Act.

Where judgement has been applied, the key factors taken into consideration are disclosed in the accounting policies and the appropriate note in the financial statements.

5. Impact of changes in accounting policies

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Chief Constable's financial position or financial performance. When a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

For the financial year 2024/25 there was the implementation of the new accounting standard IFRS 16 leases. There is no requirement under the standard for prior period adjustments due to the date of transition being 01 April 2024. Further details are provided in Note 7 to these accounts which expands on the impact on the Chief Constable proxy charge for use of Capital Assets and full disclosure note can be found in the notes to the PCC Single Entity Accounts at Note 18.

6. Accounting standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by an amendment to an existing standard or a new standard that has been issued but not yet adopted. This note has for a few years included reference to IFRS 16 leases which was postponed for several times but is now coming into effect for 2024/25. Details are outlined in Note 7 below.

The following accounting standards have been brought into effect for financial years commencing on or before 01 January 2024 and are therefore applicable to the 2024/25 code are;

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability) issued in August 2023.
- IFRS 17 Insurance Contracts issued in May 2017.

The Chief Constable and group have very few foreign transactions and do not hold any balances that would be impacted by IAS 21. In regard to IFRS 17 there has been no impact from this change since the last statements of account 2023/24.

In addition to the above there are changes anticipated for the 2025/26 year from changes in the measurement of non-investment assets within the 2025/26. This is not expected to make a material change for the Chief Constable or Single Entity but Finance and Estates teams are working together to comply with the requirements for the year ending 31st March 2026.

7. New Accounting Standards for 2024/25

IFRS 16 Leases

The IASB issued IFRS 16 Leases in January 2016. The standard has an effective date of 01 January 2019 and was due to be adopted in the Code for the 2019/20 financial year. Implementation has been delayed a number of times however adoption is mandatory from 1 April 2024 for the 2024/25 financial year.

The standard sets out conditions for when an entity holds a lease agreement that lasts, or is reasonably expected to last more than 12 months and satisfies materiality conditions for bringing this onto the entities balance sheet by means of a lease liability and a right of use asset.

The commissioner and group are complying with this standard from 01 April 2024, significant work has been undertaken to get to a position of bringing leases onto the balance sheet including initial consideration of 147 potential lease arrangements. The impact assessment in 2023/24 identified 29 leases with an estimated asset value of £1.283 million and a lease liability of £0.985 million (difference being due to peppercorn arrangements). At the date of transition, the Force determined 33 leases to fall under the scope of IFRS 16, this resulted in the recognition of £2.143 million in right of use assets and a liability of £1.791 million.

Despite the significant impact on parts of the balance sheet the impact on the bottom line of the balance sheet for the Commissioner and group however there will be annual interest payments which will impact on the revenue budget, which is anticipated to impact the Chief Constable revenue budget but will be accounted for through the CIES and have a neutral impact on the tax payer.

As the Chief Constable takes a proxy charge for the use of assets the implications of this standard have resulted in an additional £0.435 million from the depreciation of assets that were not previously held on the balance sheet.

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

The financial statements contain estimated figures that are based on assumptions made about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items within the Chief Constable's Balance Sheet as at 31 March 2025 for which there is significant risk of material adjustment in the forthcoming financial year is as follows

Pension Assets and Liabilities

Pension assets and/or liabilities included in the balance sheet are assessed on an actuarial basis. The estimation of the future 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 mortality rates, the age profile of members and retirement age, and expected return on pension fund assets for funded schemes.

The pension fund liabilities for the Police Pension Scheme (PPS) have been assessed by the Government Actuary's Department (GAD).

The pension fund assets/liabilities for the Tyne and Wear Pension Fund (TWPF) have been assessed by AON Solutions UK Limited (AON).

Both GAD and AON provide the Commissioner with expert advice about the assumptions to be applied.

To demonstrate the effects on the net pension liability of changes in individual assumptions can be measured and further information on the impact of such changes for both PPS and TWPF is presented in **Note 18** to the accounts. Some examples of the potential impact are set out below:

Police Pension Scheme (PPS)

- A reduction in the discount rate assumption of 0.5% would result in a reduction in the pension liability of £213.000 million (7.0%).
- An increase in the salary inflation assumption of 0.5% would result in a reduction in the pension liability of £25.000 million (1.0%).

Tyne and Wear Pension Fund (TWPF)

- A reduction in the discount rate assumption of 0.1% would result in an increase in the net pension asset of £6.100 million (1.7%).
- An increase in the rate of general salary increases assumption of 0.1% would result in an increase in the net pension asset of £0.720 million (0.2%).

Further details are included within the sensitivity analysis in the notes to the accounts (Employee Benefits).

9. Movement in Reserve Statement adjustments

The Movement in Reserves Statement details all movements in the financial year on the different reserves held by the Chief Constable, analysed into 'usable' reserves (i.e. those that can be used to fund expenditure or reduce local taxation) and 'unusable' reserves (notional adjustment accounts not supported by cash). At present, the only transactions shown in this statement relate to the pensions reserve and the accumulated absences reserve (reflecting movements relating to police officers and police staff under the direction and control of the Chief Constable). All other reserves are managed by the Commissioner. The following tables provide further details of the amounts disclosed in the Movement in Reserves Statement.

a) Adjustments between accounting basis and funding under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Chief Constable to meet future capital and revenue expenditure. The adjustments for 2024/25 and 2023/24 are set out in the following table:

Adjustments between Accounting Basis & Funding Basis under regulations				
2023/24			2024/25	
Usable Reserves General Fund £000	Unusable Reserves Pension Fund £000		Usable Reserves General Fund £000	Unusable Reserves Pension Fund £000
(1,982)	1,982	Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,455	(3,455)
(187,820)	187,820	Reversal of IAS 19 Pension Charges	(191,040)	191,040
63,470	(63,470)	Contributions due under the pension scheme regulations	73,701	(73,701)
(126,332)	126,332	Total adjustments between Accounting Basis and Funding Basis under regulations	(113,884)	113,884

The Chief Constable maintains three reserves, which are classified as either usable (backed by cash) relating to the General Fund, or unusable (notional adjustment accounts not supported by cash) relating to the Accumulated Absences Account and the Pension fund.

The Commissioner is responsible for usable reserves and the level held. The Comprehensive Income and Expenditure Statements of the Chief Constable and the Commissioner show that the Commissioner has fully funded the expenditure of the Chief Constable so that the Chief Constable's general reserve is maintained at a nil balance.

b) Analysis of transfers To / (From) reserves

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 carried forward at 31 March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers To / From the Account.

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

The Pensions Reserve holds balances in relation to both the Police Pension Scheme and the Tyne and Wear Pension Fund.

Notes to the Core Financial Statements

Analysis of the transfers To / From reserves 2024/25					
Balance as at 31 March 2024 £000		Transfers to reserve £000	Transfers from reserve £000	Total movement on reserve £000	Balance as at 31 March 2025 £000
Usable Reserves					
-	General Reserve	-	-	-	-
-	Total Usable Reserves	-	-	-	-
Unusable Reserves					
(18,042)	Accumulated Absences Account	-	3,455	3,455	(14,587)
(3,251,590)	Pensions Reserve	(152,880)	439,720	286,840	(2,964,750)
(3,269,632)	Total Unusable Reserves	(152,880)	443,175	290,295	(2,979,337)
(3,269,632)	Total Reserves	(152,880)	443,175	290,295	(2,979,337)

Analysis of the transfers To / From reserves 2023/24					
Balance as at 31 March 2023 £000		Transfers to reserve £000	Transfers from reserve £000	Total movement on reserve £000	Balance as at 31 March 2024 £000
Usable Reserves					
-	General Reserve	-	-	-	-
-	Total Usable Reserves	-	-	-	-
Unusable Reserves					
(16,060)	Accumulated Absences Account	-	(1,982)	(1,982)	(18,042)
(3,238,390)	Pensions Reserve	111,150	(124,350)	(13,200)	(3,251,590)
(3,254,450)	Total Unusable Reserves	111,150	(126,332)	(15,182)	(3,269,632)
(3,254,450)	Total Reserves	111,150	(126,332)	(15,182)	(3,269,632)

Transfers To / From Unusable Reserves

Unusable Reserves - Pensions Reserve					
Balance as at 31 March 2024 £000		Transfers To/(From) Reserves			Balance as at 31 March 2025 £000
		Re-measurements of the net defined benefit pension liability £000	Reverse the net impact of IAS19 charges on the General Fund £000	Total Movement £000	
	Pensions Reserve				
31,220	Chief Constable LGPS	(34,420)	1,120	(33,300)	(2,080)
(3,282,810)	Chief Constable Police Pension Scheme (PPS)	438,600	(118,460)	320,140	(2,962,670)
(3,251,590)	Total Reserves	404,180	(117,340)	286,840	(2,964,750)

10. External audit costs

The Commissioner has incurred the following costs in relation to work carried out by the Group's external auditors. The Commissioner commissions PSAA (Public Sector Audit Appointers) to tender for the external audit contract on a 5 year cycle. 2023/24 was the first year of the new contract which was awarded to Ernst & Young LLP

External Audit Costs		
2023/24 £000		2024/25 £000
53	External Audit Services	53
23	Additional fees relating to the previous year's audit	25
1	Contribution to Pension Fund Audit	-
77	Net Cost	78

11. Officer Remuneration

The following tables set out the remuneration for police staff and police officers whose total remuneration is more than £50,000 per year in 2024/25 and the equivalent disclosure for 2023/24.

Total remuneration for the purposes of the banding note requires the disclosure of all payments paid to or receivable by an individual during the year. This includes salary, overtime, fees and allowances, holiday pay, exit payments and any other payments.

Remuneration Band	Numbers of Employees receiving over £50,000	
	2023/24	2024/25
£50,000 - £54,999	588	824
£55,000 - £59,999	264	396
£60,000 - £64,999	195	229
£65,000 - £69,999	59	151
£70,000 - £74,999	13	23
£75,000 - £79,999	12	11
£80,000 - £84,999	9	12
£85,000 - £89,999	7	7
£90,000 - £94,999	7	8
£95,000 - £99,999	5	5
£100,000 - £104,999	3	5
£105,000 - £109,999	-	4
£110,000 - £114,999	-	2

The banding note above excludes remuneration for members of the Chief Officer Team, executive level directors and statutory roles which are disclosed separately in the table for Remuneration of Senior Employees.

The following table shows the total number and cost of exit packages which became demonstrably committed to during the year-ending 31 March 2025. The disclosure for exit packages is set out in-line with the CIPFA Code of Practice which requires an analysis between compulsory and other departures. The number of other departures includes voluntary redundancies and early retirements.

Notes to the Core Financial Statements

Exit packages 2024/25				
	Number of other departures	Number of compulsory redundancies	Total number of departures	Total cost of exit packages in each band £
£0 - £20,000	1	2	3	30,907
£20,001 - £40,000	-	1	1	25,881
Total	1	3	4	56,788

The total cost of exit packages as set out above has been charged to the Chief Constable's Comprehensive Income and Expenditure Statement in the current year with the exception of 1 which is charged to 2025/26. Due to the immaterial impact on the Chief Constables budget of the adjustment it has been deemed unnecessary to restate but is included in the above note. The comparative disclosure for 2023/24 is set out in the following table:

Exit packages 2023/24				
	Number of other departures	Number of compulsory redundancies	Total number of departures	Total cost of exit packages in each band £
£0 - £20,000	2	1	3	41,859
£20,001 - £40,000	-	1	1	26,589
£80,001 - £100,000	1	-	1	95,000
Total	3	2	5	163,448

Notes to the Core Financial Statements

Remuneration of the senior employees is disclosed in the following tables:

Remuneration of Senior Employees 2024/25							
Post holder information	Notes	Salary (Including fees & allowances) £	Benefits in kind £	Relocation Expenses £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration 2024/25 £
Chief Constable - Vanessa Jardine		200,284	1,080	13,533	214,897	69,492	284,389
Deputy Chief Constable - Jayne Meir		159,750	5,837	32,107	197,694	57,384	255,078
Assistant Chief Constable - A		127,010	1,080		128,090	44,835	172,925
Assistant Chief Constable - B		130,190	1,080	31,842	163,112	45,958	209,070
Assistant Chief Constable - C	1	90,758			90,758	31,704	122,462
Assistant Chief Constable - D	2	28,796			28,796	10,062	38,858
Assistant Chief Officer Corporate Services		140,541			140,541	20,887	161,428
Chief Information Officer		14,265			14,265	1,447	15,712
Chief Finance Officer	3	103,776			103,776	16,324	120,100
Acting Chief Finance Officer	4	6,595			6,595	1,055	7,650
Total		1,001,965	9,077	77,482	1,088,524	299,147	1,387,671

Note 1: Assistant Chief Officer until 06/01/2025

Note 2: Assistant Chief Officer from 06/01/2025

Note 3: Chief Finance Officer until 28/02/2025

Note 4: Acting Chief Finance Officer from 28/02/2025

Chief Finance Officer

The Chief Finance Officer (CFO) is a Joint CFO role for both the Chief Constable and Police and Crime Commissioner, 20% of the CFO remuneration is charged to the Commissioner in the single entity CIES. The senior officer remuneration in respect of the CFO role is disclosed in the Statements of Account for the Chief Constable and Police and Crime Commissioner Group financial statements – Remuneration of Senior Employees

Notes to the Core Financial Statements

Remuneration of Senior Employees 2023/24							
Post holder information	Notes	Salary (Including fees & allowances) £	Benefits in kind £	Relocation Expenses £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration 2023/24 £
Chief Constable - Vanessa Jardine		189,755	-	-	189,755	57,763	247,518
Chief Constable - Winton Keenan	1	8,325	-	-	8,325	-	8,325
Deputy Chief Constable - A	2	69,901	-	-	69,901	21,669	91,571
Deputy Chief Constable - B	3	86,456	-	-	86,456	26,440	112,896
Assistant Chief Constable - C		113,144	-	-	113,144	35,075	148,218
Assistant Chief Constable - D	4	30,433	-	-	30,433	9,434	39,867
Assistant Chief Constable - E	5	29,066	-	-	29,066	8,915	37,981
Assistant Chief Constable - F	6	114,512	-	-	114,512	34,585	149,097
Assistant Chief Constable - G	7	86,960	-	-	86,960	24,292	111,252
Assistant Chief Officer Corporate Services		129,471	-	-	129,471	19,769	149,240
Chief Information Officer		107,258	-	-	107,258	17,161	124,419
Chief Finance Officer		105,257	-	-	105,257	16,841	122,098
Total		1,070,538	-	-	1,070,538	271,944	1,342,482

Note 1: Chief Constable until 14/04/2023

Note 2: Deputy Chief Constable from 23/10/2023

Note 3: Deputy Chief Constable until 24/10/2023

Note 4: Assistant Chief Constable from 02/01/2024

Note 5: Assistant Chief Constable from 01/01/2024

Note 6: Assistant Chief Constable until 20/02/2024

Note 7: Assistant Chief Constable until 08/12/2023

12. Related Party Transactions

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

UK Central Government

Central Government has effective control over the general operations of the Chief Constable: it is responsible for providing the statutory framework within which the Chief Constable operates. The UK Government exerts significant influence on the Chief Constable and Group through legislation and due to being a major grant provider to the PCC which in turn influences the budget allocated to the Chief Constable.

The Police and Crime Commissioner

Whilst the Chief Constable retains responsibility for the direction and control of the Force, the Commissioner is responsible for holding the Chief Constable to account for the full range of their responsibilities.

The Commissioner has an integrated scheme of corporate governance that sets out the operational policy framework within which the Commissioner and Chief Constable will operate. The Commissioner funds the expenditure on operational policing incurred by the Chief Constable, the total of which is disclosed in the Commissioner's Comprehensive Income and Expenditure Statement.

Senior Employees

For financial reporting purposes the Chief Constable is a subsidiary of the Police and Crime Commissioner. The Commissioner receives all income and makes all payments on behalf of the Group (Chief Constable and Commissioner).

The Force Executive are required to declare whether they or any member of their immediate family, have had any related party transactions with the Police and Crime Commissioner. There are no such transactions for 2024/25.

13. Joint Arrangements

The Chief Constable is involved with other Forces and entities to aid joint working between organisations. Any expenditure is accounted for within the Comprehensive Income and Expenditure Statement. There is a requirement to disclose certain information within the accounts for the Chief Constable's material joint arrangements and on this basis the following disclosure is made for North East Regional Organised Crime Unit (NEROCU) which is classified as a Joint Operation:

North East Regional Organised Crime Unit (NEROCU)

NEROCU Governance and Area of Business

The North East Regional Organised Crime Unit (NEROCU) is a collaboration between the three Forces of Northumbria, Durham and Cleveland categorised as a Joint Operation in line with the *Accounting for Collaboration* guidance issued by CIPFA. The governance of the Joint Operation is managed through a Section 22A collaboration agreement from the Police Act 1996, between all three Chief Constables and Police and Crime Commissioners.

NEROCU comprises of a number of highly specialised teams of officers and staff from the three Forces which work with embedded partners from His Majesty's Revenue and Customs (HMRC), UK Border Force and the National Crime Agency (NCA) to effectively tackle serious and organised crime across the region.

Notes to the Core Financial Statements

The unit creates additional specialist capacity through effective partnership working and collaboration to deliver an increased response to tackling serious and organised crime that transcends Force borders in the region.

In-line with the Home Office Serious and Organised Crime Strategy, NEROCU places emphasis on preventing, prosecuting, and disrupting serious and organised crime ensuring a co-ordinated national approach across Government, law enforcement, security and intelligence agencies.

Financing and Reserves

NEROCU is financed through a combination of Home Office Grants and Force contributions under a fully immersed budget model. The net revenue requirement after the application of all available grant funding, is met by the three Forces with contributions being determined on the basis of Net Revenue Expenditure (NRE) after the use of reserves. NRE is equivalent to total funding from Home Office grants plus Council Tax income. The contribution proportions made for 2024/25 are set out in the table below

Force	Contribution
Northumbria	52.96%
Durham	22.41%
Cleveland	24.30%

The final outturn position for NEROCU was £13.390 million with Northumbria's share of the net cost being £7.092 million as set out in the following table;

	NE ROCU Outturn		Northumbria	
	2023/24	2024/25	2023/24	2024/25
	£000	£000	£000	£000
Employee Pay and Pensions	14,761	17,643	7,812	9,343
Premises Costs	556	511	294	271
Vehicles and Fuel	284	301	150	159
Travel and Accommodation	209	191	111	101
Communications and Computing	484	884	256	468
Training and Conference Fees	211	220	112	117
Supplies and Services	269	528	142	280
Other Expenses	117	115	62	61
Total Expenditure	16,891	20,393	8,939	10,800
Home Office Grant	(2,976)	(2,789)	(1,575)	(1,477)
Other Income	(3,233)	(4,214)	(1,710)	(2,231)
Total Income	(6,209)	(7,003)	(3,285)	(3,708)
Net Expenditure	10,682	13,390	5,654	7,092

The accounting treatment for NEROCU is that expenditure is shown as £10.800 million (£8.939 million 2023/24) in the Chief Constable's accounts with income of £3.708 million (£3.285 million 2023/24) being accounted for in the Commissioners Single Entity accounts. The net cost to the Commissioner and Group is therefore £7.092 million (£5.654 million 2023/24).

All three Forces have equal representation and rights to control under the Section 22A collaboration agreement. Under this Agreement assets purchased by a Force and provided for the use of NEROCU are held on the Balance Sheet of that Force. In addition, assets funded through Home Office grants and other contributions are purchased by Northumbria and held for the exclusive benefit of NEROCU. The share of NEROCU assets attributable to Northumbria are held as Property, Plant and equipment (PPE) on the Balance Sheet of the Police and Crime Commissioner Single Entity and Group accounts in line with the relevant Northumbria contribution rate.

The three Forces jointly own the NEROCU premises, the North East Regional Crime Prevention Centre (NERCPC). The property asset is held under a Trust Agreement with the following ownership split:

Notes to the Core Financial Statements

Northumbria	37.5%
Durham	37.5%
Cleveland	25.0%

Reserves attributable to NEROCU are also held on the Balance Sheet of the Police and Crime Commissioner with the share of overall reserves for Northumbria being determined on the basis of revenue contributions equating to £0.423 million as at 31 March 2025.

14. Debtors

These amounts represent payments in advance, such as invoices spanning financial periods and the amount due from the Commissioner for resources consumed by the Chief Constable for which cash payments were not made by the 31 March 2025.

Short-Term Debtors			
31 March 2024			31 March 2025
£000			£000
45	Central government bodies		8
182	Bodies external to general government		386
14,688	Police and Crime Commissioner		14,373
14,915			14,767

15. Creditors

These amounts represent sums owed to a number of sources, such as other local authorities and government departments, in relation to policing expenditure.

Short-Term Creditors			
31 March 2024			31 March 2025
£000			£000
(7,962)	Central government bodies		(8,351)
(52)	NHS bodies		(22)
(964)	Other local authorities		(1,317)
(3)	Public corporations and trading funds		-
(23,650)	Bodies external to general government		(19,440)
(32,631)			(29,130)

16. Provisions and Contingent Liabilities

Provisions

Provisions					
31 March 2024		Additional	Provisions		31 March 2025
£000		Provisions Made	Used	Reversals	£000
		£000	£000	£000	£000
Short-term provisions					
(326)	Employee remuneration	-	2	100	(224)
(326)	Total	-	2	100	(224)

Notes to the Core Financial Statements

A number of Forces including Northumbria are currently dealing with legal claims from serving and retired officers which relate to a specialist area of policing. These claims are for remuneration in relation to past service under police regulations. The Chief Constable has a number of such claims and whilst the majority of cases have been settled as at the balance sheet date, there remain a small number of claims and costs outstanding which are expected to be finalised in 2025/26.

The balance on the employee remuneration provision at 31 March 2025 is set at a prudent level estimated to settle all such claims.

Contingent Liabilities

At 31 March 2025, the Chief Constable has identified the following contingent liability:

- **Employee remuneration** - A provision has been made in relation to a number of claims that have been received from serving and retired officers in relation to past service under police regulations. The claims are in relation to a number of officers that worked in a specialist area and at this time each case is subject to legal review. A contingent liability is also disclosed here in relation to other remuneration issues and in particular the potential for further claims to be submitted over and above those included within the provision calculated at 31 March 2025.
- **McCloud/Sargeant judgement** – The Chief Constable along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

On 16 July 2020 HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement.

On 19 July 2021 the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022. The Act closed the legacy schemes from 31 March 2022 and brings the retrospective remedy into force from 1 October 2023. The Home Office have consulted during 2023 on the secondary regulations to bring the policy determined by the act into force from 1 October 2023.

- **Impact on Pension Liability** – Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries originally estimated the increase in scheme liabilities for the Northumbria Chief Constable through a past service cost of £182.720 million recognised in the 2018/19 accounts, followed by a reduction of £12.080 million in 2019/20 accounts resulting from the eligibility criteria for members set out in HM Treasury's consultation. The additional liability expected for affected members during 2020/21 to 2024/25 is included within the current service cost for those financial years.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The most recent Police Pension valuation was reported in 2023/24, and this has resulted in an increase in the Employer contribution rate from 31.0% to 35.3% from 1 April 2024. Government have provided additional funding to forces to compensate for the additional cost in 2024/25.

Notes to the Core Financial Statements

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

- **Compensation Claims** – In respect of the McCloud Pension case, there are a number of claimants that have lodged compensation claims for ‘injury to feelings.’ Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

Aarons and Penningtons - Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts, but a contingent liability is noted.

17. Financial Instruments

The financial instruments carried in the Chief Constable’s Balance Sheet are set out in the following table:

Financial Instruments		
	31 March 2024 £000	31 March 2025 £000
Financial Liabilities at Amortised Cost		
Short-term Creditors - Trade Creditors	(7,002)	(6,938)
Financial Assets at Amortised Cost		
Short-term Debtors - Trade Debtors	182	322

Due to the very limited types of financial instruments held by the Chief Constable there is limited exposure to risk. Key risks such as credit risk, liquidity risk, re-financing risk and market risk are all associated with contracts; cashflow; investment and borrowing activity; and overall financing of services. The Chief Constable has no material exposure to any of these sources of risk, which fall mainly to the Commissioner and are considered within the Financial Instruments note to the Commissioner’s single-entity accounts.

18. Employee Benefits

Benefits payable during employment

The following table shows the cost of holiday entitlements and lieu time earned by police officers and police staff under the direction and control of the Chief Constable but not taken by the year-end. The cost of employee benefits is charged to the Chief Constable’s accounts under Net Cost of Services in the CIES and the reserve associated with the short-term liability is shown under the Chief Constable’s Unusable Reserves

Benefits payable during employment		
2023/24 £000		2024/25 £000
18,042	Police Services	14,587
18,042	Total employee benefits accrued at the Balance Sheet date	14,587

Post-employment benefits (pensions)

Post-employment benefits are pensions offered as part of the terms and conditions of police officers and police staff. They are accounted for in accordance with IAS19 in which pension liabilities are recognised at the point at which employees earn their future entitlement. The pension liability/asset is recognised in the Chief Constable's Balance Sheet and the in-year movement in the liability/asset recognised in the Comprehensive Income and Expenditure Statement.

a) Defined Benefit Plan: Tyne and Wear Pension Fund

The Tyne and Wear Pension Fund (the "Fund") is a Local Government Pension Scheme (LGPS) administered by South Tyneside Council. This is a funded scheme, meaning that the Chief Constable and employees pay contributions into the Fund calculated at a level estimated to balance the pension liabilities with investment assets.

In 2024/25, the Chief Constable paid £12.120 million (£11.230 million in 2023/24) to the Pension Fund in respect of pension contributions, with standard contributions representing 16.0% of pensionable pay (16.0% in 2023/24).

The scheme is classified as a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 01 April 2014 are based on a Career Average Revalued Earnings scheme (CARE). Scheme benefits are accrued in accordance with the requirements of International Accounting Standard 19 Employee Benefits (IAS 19). IAS 19 accounts for retirement benefits when they are committed to be given, even if the actual payment is many years into the future. IAS 19 also includes the Chief Constable's share of the fund's assets and liabilities.

The unfunded defined benefit plan relates to termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS under Local Government (early termination of employment) (discretionary compensation) Regulations (England and Wales) 2000.

The last actuarial valuation was at 31 March 2022 which determined the contributions to be paid from 01 April 2023 to 31 March 2026. The results from that valuation are set out in the Fund's Rates and Adjustment Certificate. The employer's standard contribution rate for 01 April 2023 to 31 March 2026 reduced from 16.8% to 16.0% as a result of the 2022 valuation.

The next actuarial valuation of the Fund will be carried out at 31 March 2025 and as part of that valuation a new Rates and Adjustment Certificate will be produced for the three year period from 01 April 2026. The Fund Administering Authority, South Tyneside Council, is responsible for the governance of the Fund.

Assets

The assets allocated to the Chief Constable in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole can be seen in the Analysis of Scheme Assets table in the disclosures below. Further information on the Tyne and Wear Pension Fund can be found in their Annual Report. All annual reports are available from South Tyneside Council's website.

Transactions relating to retirement benefits

The Chief Constable recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefit is paid as pensions. However, the charge which is made against the Police Fund is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement as an appropriation.

Notes to the Core Financial Statements

The following transactions have been made in the Comprehensive Income and Expenditure Statement during the year:

Charges to Comprehensive Income and Expenditure Statement				
	Funded Liabilities as at		Unfunded Liabilities as at	
	31 March 2024 £m	31 March 2025 £m	31 March 2024 £m	31 March 2025 £m
Within Cost of Service				
Current Service Cost	13.27	12.99	-	-
Past service cost (incl. curtailments)	-	0.05	-	-
Financing, Investment Income & Expenditure				
Interest on net defined benefit Liability / (Asset)	(1.07)	(2.57)	0.11	0.11
Interest on unrecognised asset	-	0.67	-	-
Pension expense recognised in CIES	12.20	11.14	0.11	0.11
Remeasurements in OCI				
Return on plan assets (in excess of) / below that recognised in net interest	(13.28)	9.91	-	-
Actuarial (Gains) / Losses due to change in financial assumptions	(16.21)	(79.61)	(0.02)	(0.15)
Actuarial (Gains) / Losses due to change in demographic assumptions	(6.37)	(3.11)	(0.07)	(0.01)
Actuarial (Gains) / Losses due to liability experience	4.47	(0.63)	0.10	(0.01)
Adjustment loss (gain) due to restriction of surplus	13.93	108.03	-	-
Total Amount recognised in OCI	(17.46)	34.59	0.01	(0.17)
Total Amount charged to CIES	(5.26)	45.73	0.12	(0.06)

Assets and Liabilities in Relation to Post-Employment Benefits

Changes to the present value of the defined benefit obligation				
	Funded Liabilities as at		Unfunded Liabilities as at	
	31 March 2024 £m	31 March 2025 £m	31 March 2024 £m	31 March 2025 £m
Opening defined benefit obligation	412.47	418.15	2.52	2.39
Current service cost	13.27	12.99	-	-
Interest expense on defined benefit obligation	19.19	19.86	0.11	0.11
Contributions by participants	4.52	4.82	-	-
Actuarial (Gains) / Losses on liabilities - financial assumptions	(16.21)	(79.61)	(0.02)	(0.15)
Actuarial (Gains) / Losses on liabilities - demographic assumptions	(6.37)	(3.11)	(0.07)	(0.01)
Actuarial (Gains) / Losses on liabilities - experience	4.47	(0.63)	0.10	(0.01)
Net benefits paid out	(13.19)	(13.85)	(0.25)	(0.25)
Past service cost (incl. curtailments)	-	0.05	-	-
Closing defined benefit obligation	418.15	358.67	2.39	2.08

Changes to the fair value of assets during the period				
	Funded Liabilities as at		Unfunded Liabilities as at	
	31 March 2024 £m	31 March 2025 £m	31 March 2024 £m	31 March 2025 £m
Opening fair value of assets	429.59	465.69	-	-
Interest income on assets	20.26	22.43	-	-
Remeasurement Gains / (Losses) on assets	13.28	(9.91)	-	-
Contributions by the employer	11.23	12.12	0.25	0.25
Contributions by participants	4.52	4.82	-	-
Net benefits paid out	(13.19)	(13.85)	(0.25)	(0.23)
Closing fair value of assets	465.69	481.30	-	0.02

Reconciliation of the present value of the defined benefit obligation and the fair value of fund assets to the assets and liabilities recognised in the balance sheet		
	31 March 2024 £m	31 March 2025 £m
Fair Value of Assets (funded)	465.69	481.30
Fair Value of Assets (unfunded)	-	-
Present value of defined benefit obligation (funded)	(418.15)	(358.67)
Unrecognised asset (Funded)	(13.93)	(122.63)
Present value of defined benefit obligation (unfunded)	(2.39)	(2.08)
Asset / (Liability) recognised on the balance sheet	31.22	(2.08)

The above table has been updated to be compliant with the requirements of International Accounting Standard 19 for the disclosure of any unrecognised assets when detailing the position held on the balance sheet in relation to the pension fund.

The Chief Constable and Group account for pensions under IAS 19, this standard stipulates that when an entity has a surplus in a defined benefit plan that it should measure the net defined benefit asset as the lower of the surplus in the defined benefit plan and the asset ceiling.

The definition given of an asset ceiling is the future economic benefits available to the entity in the form of reduced future contributions or a cash refund.

Scheme Assets

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rate of return experienced on the respective markets. The actual return on scheme assets in the year was a gain of £12.520 million (£33.540 million gain in 2023/24).

Analysis of Scheme Assets				
Asset	Asset split at 31 March 2024 (%)	Quoted At 31 March 2025 (%)	Unquoted At 31 March 2025 (%)	Asset split at 31 March 2025 (%)
Equities	50.6	36.3	11.8	48.1
Property	10.4	0.0	11.1	11.1
Government bonds	1.3	1.1	0.0	1.1
Corporate bonds	19.5	18.1	0.0	18.1
Cash	0.7	1.8	0.0	1.8
Other*	17.5	4.5	15.3	19.8
	100.0	61.8	38.2	100.0

* Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these will get a return in line with equities

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows

Members	%
Actives	45
Deferred Pensioners	15
Pensioners	40

Actuarial Assumptions

Liabilities have been assessed on an actuarial basis to provide an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels and discount rates. AON Solutions UK Limited, an independent firm of actuaries, has valued the Tyne and Wear Pension Fund's assets and liabilities in accordance with IAS 19 by using the latest actuarial valuation of the Fund as at 31 March 2022. The liabilities for unfunded benefits are based on an actuarial valuation which took place on 31 March 2024.

A building block approach is employed in determining the rate of return on fund assets. Historic markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out in the (analysis of scheme assets) table on the previous page. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2025.

Notes to the Core Financial Statements

The principal financial and actuarial assumptions are set out in the following table:

Principal financial and actuarial assumptions				
	Funded Liabilities		Unfunded Liabilities	
	2023/24	2024/25	2023/24	2024/25
Financial assumptions (% per annum)				
Discount Rate	4.8	5.8	4.8	5.8
Rate of Inflation (CPI)	2.6	2.5	2.6	2.5
Rate of increase in salaries	4.1	4.0	n/a	n/a
Rate of increase to pensions in payment	2.6	2.5	2.6	2.5
Pension accounts revaluation rate	2.6	2.5	n/a	n/a
Mortality assumptions				
Future lifetime from age 65 (Member aged 65 at accounting date)				
Men	21.0	20.9	21.0	20.9
Women	24.2	24.1	24.2	24.1
Future lifetime from age 65 (Member aged 45 at accounting date)				
Men	22.3	21.8	n/a	n/a
Women	25.6	25.2	n/a	n/a

The mortality assumptions are based on the actual mortality experience of members in the fund as identified in the actuary's disclosure.

Commutations	
Year ended 31 March 2024	Each member is assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.
Year ended 31 March 2025	Each member is assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Notes to the Core Financial Statements

Sensitivity to main assumptions

The following table shows the approximate impact of changing the key assumptions on the present value of the funded benefit obligations as at 31 March 2025 and the projected service cost for the year-ending 31 March 2025. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Sensitivity to main assumptions (Funded Liabilities)			
Discount rate assumption	Adjustment to Rate		
Adjustment to discount rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M)	352.57	358.67	364.77
Change in present value of total obligation	-1.7%		1.7%
Projected service cost (£M)	7.83	8.27	8.72
Approximate change in projected service cost	-5.3%		5.4%
Rate of general increase in salaries	Adjustment to Rate		
Adjustment to salary increase rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M)	359.39	358.67	357.95
Change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M)	8.27	8.27	8.27
Approximate change in projected service cost	0.0%		0.0%
Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption	Adjustment to Rate		
Adjustment to pension increase rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M)	364.05	358.67	353.29
Change in present value of total obligation	1.5%		-1.5%
Projected service cost (£M)	8.72	8.27	7.83
Approximate change in projected service cost	5.4%		-5.3%
Post retirement mortality assumption	Adjustment to Rate		
Adjustment to mortality age rating assumption*	- 1 year	Base Figure	+ 1 year
Present value of total obligation (£M)	366.56	358.67	350.78
Change in present value of total obligation	2.2%		-2.2%
Projected service cost (£M)	8.57	8.27	7.96
Approximate change in projected service cost	3.6%		-3.7%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

Expected Future Contributions

The expected contributions to be made to the Tyne and Wear Pension Fund by the Chief Constable for the accounting period to 31 March 2026 are estimated to be £12.810 million (£12.560 million funded and £0.250 million unfunded). In addition, strain on the fund contributions may be required as a result of voluntary redundancies and early retirements.

Duration of Liabilities

The duration of the Employer's liabilities is the average period between the calculation date and the date at which benefit payments fall due. This is estimated as 16.8 years.

Notes to the Core Financial Statements

b) Defined Benefit Plan: Police Pension Scheme

The Police Pension Schemes are wholly unfunded defined benefit schemes. Contributions and pensions are made to and paid from the Police Pension Fund, which is balanced to nil at the end of each financial year by receipt of a top-up pension grant from the Home Office. There are no investment assets built up to meet the pensions' liabilities and cash has to be generated by the Home Office to meet the actual pension payments as they eventually fall due.

The results have been calculated by carrying out a detailed valuation of the data provided as at 31 March 2020, for the latest funding valuation. This has then been rolled forward to reflect the position as at March 2025, allowing for additional service accrued between 01 April 2020 and 31 March 2025, and known pension and salary increases that would have applied. The transactions shown below have been made during the year:

Charges to Comprehensive Income and Expenditure Statement		
	31 March 2024 £m	31 March 2025 £m
Net Cost of Service		
Current service cost	26.42	26.30
Past service cost	(0.06)	-
Financing and investment income and expenditure	-	
Pension interest cost	149.15	153.49
Total charge to Provision of Services	175.51	179.79
Re-measurement of the net defined benefit liability / (asset)	(93.70)	(438.60)
Total IAS 19 charge to Comprehensive Income and Expenditure	81.81	(258.81)

Present value of the defined benefit obligation

The present values of the scheme's liabilities are shown in the following table:

History of scheme liability					
	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Present value of the defined benefit obligation	(4,363.62)	(4,436.49)	(3,252.99)	(3,282.81)	(2,962.67)
Surplus / (Deficit) in the Scheme	(4,363.62)	(4,436.49)	(3,252.99)	(3,282.81)	(2,962.67)

Reconciliation of the fair value of scheme assets

Reconciliation of the fair value of scheme assets		
	31 March 2024 £m	31 March 2025 £m
Opening fair value of assets	-	-
Actuarial Gains and (Losses) on assets	66.19	69.16
Contributions by employer	51.99	61.33
Contributions by participants	19.98	21.03
Transfers in	1.21	0.69
Net benefits paid	(139.37)	(152.21)
Closing fair value of assets	-	-

Analysis of movements in scheme liability

Analysis of the movement in scheme liability		
	31 March 2024	31 March 2025
	£m	£m
Net Surplus / (Deficit) at the beginning of year	(3,252.99)	(3,282.81)
Current service cost	(26.42)	(26.30)
Cost covered by employee contributions	(19.98)	(21.03)
Past service cost	0.06	-
Pension transfers in	(1.21)	(0.69)
Net interest on the net defined benefit Liability / (Asset)	(149.15)	(153.49)
Net benefits paid	139.37	152.21
Remeasurements of the net defined Liability / (Asset)	27.51	369.44
Net Surplus / (Deficit) at the end of year	(3,282.81)	(2,962.67)

The weighted average duration of the defined benefit obligation for the Police Pension Scheme 2015 is around 27 years, the New Police Pension Scheme 2006 is around 28 years, and for the Police Pension Scheme 1987 it is around 14 years.

The weighted average duration of the defined benefit obligation for all police officer Pension Schemes, on a consolidated basis are around 16 years.

The Police Pension Scheme has no investment assets to cover its liabilities; these are met as they fall due.

Expected Future Contributions

The expected contributions to be made to the Police Pension Scheme by the Chief Constable for the accounting period to 31 March 2026 are estimated to be £58.407 million compared to £55.711 million paid in 2024/25.

Actuarial Assumptions

Liabilities have been assessed on an actuarial basis using the Projected Unit Credit Method (PUCM), an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

Principal Financial and Actuarial Assumptions		
	31 March 2024	31 March 2025
Discount rate (Rate of Return)	4.75%	5.65%
Rate of inflation - pension increases (CPI)	2.60%	2.70%
Salary Inflation (long-term)	3.85%	3.45%
CARE revaluation rate	3.85%	3.95%
Rate of return in excess of:		
Salary Inflation (long-term)	0.90%	2.20%
Pension increases	2.15%	2.95%

Member with service in the following scheme:	Commutation Assumptions
Police Pension Scheme 1987	25% of 1987 Scheme pensions are assumed to be commuted.
Police Pension Scheme 2006	Commutation is not available, no assumption required.
Mixed 1987 and 2015 Scheme	25% of 1987 Scheme pensions and 12% of 2015 Scheme pensions are assumed to be commuted.
Mixed 2006 and 2015 Scheme	20% of 2015 Scheme pensions are assumed to be commuted and nil in respect of the 2006 Scheme for which commutation is not available.
Police Pension Scheme 2015	20% of 2015 Scheme pensions are assumed to be commuted, except for members who also have 1987 Scheme pension for whom 12% are assumed to be commuted.

Mortality Assumptions		
	Normal Health	
	2023/24 (years)	2024/25 (years)
Future Lifetime at 65 for current pensioners		
Men	21.90	21.90
Women	23.60	23.90
Future Lifetime at 65 for future pensioners (currently aged 45)		
Men	23.60	23.30
Women	25.10	25.20

The results of any actuarial calculations are inherently uncertain because of the assumptions which must be made under IAS19 to reflect market conditions at the valuation date. For 2024/25 there has been minimal movement in the liability since 2023/24. The sensitivity table below gives an indication on the impact of movements in the indicators:

Sensitivity to main assumptions			
Change in assumption*		Approximate effect on scheme liability	
		%	£m
Discount Rate	+ 0.5% a year	(7.00)	(213.00)
Salary Inflation	+ 0.5% a year	1.00	25.00
Pension Increases	+ 0.5% a year	7.00	212.00
Life Expectancy	All members and adult dependants assumed to be one year younger	2.00	65.00

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the DBO. Doubling the changes in the assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above.

19. Segmental Income

There is a requirement within the Code to present income and expenditure in segments as reported for internal management purposes and provide reconciliation with the Comprehensive Income and Expenditure Statement (CIES). The Expenditure and Funding Analysis (EFA) and the notes to the EFA present the financial information on a funding basis for reportable segments and reconcile this position with the CIES.

20. Events after the balance sheet date

Virgin Media Case

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 judgement has now been upheld by the Court of Appeal. The Local Government 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 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, Northumbria Police does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Police Reform

On 13 November 2025, the UK Government announced that Police and Crime Commissioners (PCCs) will be abolished at the end of the current electoral cycle in 2028, with their statutory functions transferring to regional mayors or, where no mayoral structure exists, to elected local council leaders. This reform forms part of wider national changes to police governance aimed at reducing bureaucracy and improving accountability, and is expected to deliver savings of at least £100 million across the current parliament. PCCs will continue to operate until the end of their current terms, after which the new governance arrangements will take effect.

21. Authorisation of accounts for issue

The Chief Constable Statements of Account for the financial year ended 31 March 2025 were approved by the Chief Constable and authorised for issue on 27 February 2026.

Supplementary Financial Statements

Comprising:

- Police Pension Fund
- Notes to the Supplementary Financial Statements

Supplementary Financial Statements

This statement shows the details of the Pension Fund Account for the Police Pension Scheme for 2024/25 and shows comparative figures for 2023/24.

Police Pension Fund		
2023/24 £000	FUND ACCOUNT	2024/25 £000
(46,338)	Normal	(55,251)
-	- Additional funding payable by the local policing body to meet the deficit for the year	-
(359)	Other (Ill Health Retirements)	(460)
(46,697)	Contribution Receivable from Employer	(55,711)
(20,028)	Contribution Receivable from Members	(21,391)
(20,028)	Contribution Receivable from Members	(21,391)
(66,725)	Contributions Receivable	(77,102)
(1,505)	Individual Transfers in from other schemes	(707)
(1,505)	Transfers in	(707)
112,422	Pensions	121,309
20,676	Commutations and Lump Sum Retirement Benefits	25,258
288	Lump Sum Death Benefits	414
433	Other (Inter Authority Adjustments / LTA Payments)	31
133,819	Benefits Payable	147,012
318	Refunds of Contributions	394
-	- Individual Transfers Out To Other Schemes	-
318	Payments To and On Account of Leavers	394
134,137	Total Benefits Payable	147,406
65,907	Net amount payable for the year before contribution from the Police Fund	69,597
(65,907)	Contributions from Police Fund Income and Expenditure Account in respect of Deficit on the Police Pension Fund Account	(69,597)
-	Net Amount (Receivable) / Payable In Year	-
2023/24 £000	Net Asset Statement	2024/25 £000
(167)	Lump Sums processed for April payment	(368)
167	Debtor Held on Commissioners Balance Sheet	368

1. Scheme description

The Police Pension Fund is a defined benefit scheme for police officers and comprises the Police Pension Scheme 1987, the Police Injury Benefit Scheme, the New Police Pension Scheme 2006 and the Police Pension Scheme 2015.

The scheme is wholly unfunded and balanced to nil at the end of each financial year by receipt of a top-up pension grant by the Commissioner from the Home Office or by paying the surplus over to the Home Office. There are no investment assets built up to meet the pensions' liabilities and cash has to be generated by the Home Office to meet the actual pension payments as they eventually fall.

Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department (GAD).

2. Administration of the Fund

The Chief Constable is Scheme Manager⁷ for the Police Pension Fund. The Chief Constable has a Police Pensions Board, established in 2015, under section 5 of the Public Service Pension Act, which provides local administration and governance for the Scheme.

3. Accounting Policies

The accounting policies detailed in this Statements of Account have been followed in dealing with items which are judged material in accounting for, or reporting on, the transactions and net assets of the fund. No significant estimation techniques have been adopted.

4. Future liabilities

The Funds' financial statements do not take account of liabilities to pay pensions and other benefits after the period end, which are the responsibility of the Chief Constable. Details of the long-term pension obligations can be found in the Notes to the Core Financial Statements, Employee benefits (**Note 18**).

5. Events after the reporting period

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 judgement has now been upheld by the Court of Appeal. The Local Government 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 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 on the assessed actuarial present value of the promised retirement benefits under IAS 26, or if it can be reliably estimated. As a result, the Police Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

7 Public Service Pension Act 2013 (section 4)

Annual Governance Statement

(Chief Constable Statements of Account 2024/25)

The Accounts and Audit Regulations 2015 require an Annual Governance Statement (AGS) to be published along with the annual Statements of Account and a narrative statement that sets out financial performance and economy, efficiency, and effectiveness in its use of resources.

This statement is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) 'Good Governance: Framework' (2016) and explains how the Chief Constable of Northumbria Police has complied with this framework and meets the statutory requirements of regulations. It also continues to take into account the introduction of the CIPFA Financial Management Code 2019 (FM Code).

Scope of Responsibility

The Police Reform and Social Responsibility (PRSR) Act 2011 sets out the accountability and governance arrangements for policing and crime matters. The Act establishes both the Police and Crime Commissioner (the 'Commissioner') and the Chief Constable as the 'Corporation Sole' for their respective organisations. This means each is a separate legal entity, though the Chief Constable is accountable to the Commissioner. Both the Commissioner and Chief Constable are subject to the Accounts and Audit Regulations 2015; as such, both must prepare their Statements of Account in accordance with the CIPFA Code of Practice on Local Authority Accounting, and both must publish their individual AGS.

The Chief Constable shares most core-systems of control with the Commissioner, including: the main finance systems; internal policies and processes; the Chief Finance Officer (CFO); internal audit and a Joint Independent Audit Committee (JIAC). The Commissioner's Statements of account include a similar statement which covers both the Office of the Police and Crime Commissioner (OPCC) as well as the group position of the Commissioner and Chief Constable.

The Chief Constable is responsible for the direction and control of the Force. In discharging this function, the Chief Constable supports the Commissioner to ensure their business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The Chief Constable is also responsible for putting in place proper arrangements for the governance of the Force and ensuring that the arrangements comply with the Police and Crime Commissioner's Governance Framework. In so doing the Chief Constable is ensuring a sound system of internal control is maintained throughout the year, and that appropriate arrangements are in place for the management of risk.

The Commissioner and Chief Constable have adopted corporate governance principles which are consistent with the principles of the CIPFA/SOLACE 'Good Governance: Framework'.

The PRSR Act 2011 requires the Commissioner and Chief Constable to each appoint a Chief Finance Officer (CFO) with defined responsibilities and powers. The CIPFA Statement on the Role of the CFO appointed by the Commissioner, and the CFO appointed by the Chief Constable gives detailed advice on how to apply CIPFA's overarching Public Services Statement. The 2014 Statement states:

"That both the Police and Crime Commissioner and Chief Constable appoint separate CFOs, where under existing arrangements a joint CFO has been appointed the reasons should be explained publicly in the authority's AGS, together with an explanation of how this arrangement delivers the same impact."

The Commissioner and Chief Constable have a Joint CFO for 2024/25 and consider that a joint CFO role provides both the Commissioner and Chief Constable with a single efficient, effective, and economic financial management lead. The controls remain that there is an expectation that the CFO should advise the Commissioner and Chief Constable of any conflict of interest that should arise in the joint role, especially with section 151 responsibilities; and, the CFO acts in accordance with the requirements, standards and controls as set out in the CIPFA Statement on the Role of the Chief Financial Officer of the Commissioner and the Chief Finance Officer of the Chief Constable (the CIPFA Statement).

As part of the AGS assurance review, an annual assessment to the latest CIPFA Statement (2014) is carried out by the joint CFO and has been reviewed by the JIAC for 2024/25. It confirms that the role is complying with the requirements of the Statement. The Commissioner and the Chief Constable are also satisfied that the role is working efficiently, that the responsibilities set out in the Scheme of Governance are being completed effectively, and that potential conflicts are subject to continuous review. There are no issues of conflict to report.

The Governance Framework

The governance framework in place throughout the 2024/25 financial year covers the period from 1 April 2024 to 31 March 2025 and any issues which arise up to the date of approval of the annual Statements of Account.

The framework comprises the systems, processes, culture, and values by which the Chief Constable operates in support of the Commissioner's Governance Framework. Through the application of the Commissioner's framework and Force governance arrangements, the Chief Constable is able to both monitor and deliver the objectives of the Police and Crime Plan. Consequently, the Chief Constable is able to provide assurance to the Commissioner that these objectives are leading to the delivery of appropriate and cost-effective policing services which provide value for money, a duty under the Local Government Act 1999.

The overall system of internal control is a significant part of the framework and is designed to manage risk to a reasonable and foreseeable level. It cannot, however, eliminate all risk of failure to achieve aims and objectives and therefore only provides reasonable and not absolute assurance of effectiveness. The system of internal control is an on-going process designed to identify and prioritise the risks to achieving the Commissioner's and Chief Constable's aims and objectives, evaluate the likelihood and impact of those risks being realised and manage them effectively, efficiently, and economically.

A copy of the Governance Framework is available on the OPCC website.

The Chief Constable is responsible for operational policing matters, the direction and control of police personnel and making proper arrangements for the governance of the Force. The role is accountable to the Commissioner for the exercise of those functions. The Chief Constable must therefore satisfy the Commissioner that the Force has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

This statement provides a summary of the extent to which the Chief Constable is supporting the aspirations set out in the Commissioner's Governance Framework. It is informed by internal assurances on the achievement of the principles set out in the CIPFA/SOLACE Framework (Delivering Good Governance in Local Government - Guidance Notes for Police Authorities 2016 Edition), for those areas where the Chief Constable has responsibility. It is also informed by on-going internal and external audit and inspection opinions.

The principles of good governance where the Chief Constable has responsibility are:

1. Focusing upon the purpose of the Force, on outcomes for the community, and creating and implementing a vision for the local area.
2. Ensuring that the Force and partners work together to achieve a common purpose within clearly defined functions and roles.
3. Promoting values for the Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions, which are subject to effective scrutiny and risk management.
5. Developing the capacity and capability of all to be effective in their roles.

Focusing on the Purpose of the Force and on Outcomes for the Community and Creating and Implementing a Vision for the Local Area

The Commissioner has a Police and Crime Plan, Safer Streets: Stronger Communities, for the period 2025 to 2029. The plan was developed following extensive consultation with local people about their views of policing and community safety and sets out the police and crime priorities for the area.

Northumbria Police has a governance and decision-making structure which supports leadership, at all levels, in the effective and efficient conduct of business. It enables the Force to deliver the Force Strategy having regard to the Police and Crime Plan, maintaining high levels of performance and service delivery at a time of continuing financial challenge. The Force's Strategic Performance Board, chaired by the Deputy Chief Constable, is the Force's primary meeting to drive and manage performance and delivery of the Force's purpose, vision and strategic objectives, supporting delivery of the Police and Crime Plan. This Board is underpinned by a range of portfolio governance and thematic boards. Performance is considered in a number of ways: compared to previous years; against agreed service standards or thresholds and peers (most similar family of Forces or nationally); direction of travel; and against key national crime and policing priorities.

Other areas of business are also regularly reported to the boards, including: The Strategic Policing Requirement; community consultation and engagement; progress against action plans in response to recommendations and areas for improvement resulting from inspections by His Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS); organisational learning; and risk management.

HMICFRS carries out a programme of inspections, including on thematic areas and a regular PEEL Assessment (Effectiveness, Efficiency and, Legitimacy). Forces are assessed on their effectiveness, efficiency and legitimacy based on inspection findings, analysis, and His Majesty's Inspectors' (HMIs) professional judgment across the year.

The latest HMICFRS inspection report for Northumbria Police 'PEEL 2023/25 Police effectiveness, efficiency and legitimacy' was published in May 2025. The inspection assessed how good Northumbria Police is in nine areas of policing and graded judgements were made in eight areas; with seven adequate grades awarded and one area assessed as good. HM Chief Inspector of Constabulary's (HMCIC) overall assessment was that they were pleased with aspects of the performance of Northumbria Police in keeping people safe, reducing crime and providing victims with an effective service and were satisfied with most other aspects of the Force's performance, but highlighted some areas for improvement.

All HMICFRS inspection and investigation reports and other external inspection and audit reports are considered by the Force Executive Team. A lead is appointed to consider inspection findings and identify actions in response to any recommendations and areas for improvement. The Force position is reported to the Police and Crime Commissioner at the Joint Business Meeting, to inform any statutory response to inspection activity required under section 55 of the Police Act 1996. Delivery is overseen by the relevant

Chief Officer lead, with further oversight at the bi-monthly Force Assurance Board and scrutiny at the Executive Board. Progress continues to be made against all recommendations and AFIs and is monitored at the Scrutiny Meeting of the OPCC and reported to the Joint Independent Audit Committee. There are currently no matters of exception in response to previous inspections.

Ensuring the Force and Partners Work Together to Achieve a Common Purpose with Clearly Defined Functions and Roles

The Commissioner's Governance Framework sets out the roles of both the Commissioner and Chief Constable; they are clearly defined and demonstrate how they work together to ensure effective governance and internal control.

The Force works closely with all six local authorities in the Northumbria area and understands the policing needs in each area from our city centres to the rural communities. Northumbria Police work with a range of partners and are represented on partnerships that focus on policing and crime, including Community Safety Partnerships. The Force is also a member of local children's and adult safeguarding boards that work to ensure the safety and wellbeing of vulnerable children and adults in the Force area. The Commissioner has developed a Violence Reduction Unit which takes a public health approach to tackling serious violence working with a range of partners.

A Service Level Agreement between the Commissioner and the Chief Constable exists. This agreement identifies the services that will be shared in order to best fulfil the duties and responsibilities of each in an efficient and effective way.

The Commissioner and Chief Constable operate a joint Business Meeting, which meets regularly, the minutes of which are published on the Commissioner's website to ensure transparency of decision making.

Where collaboration between Forces is in place governance arrangements are set out in formal collaboration agreements and these are published on the OPCC website. Section 22a of the Police Act 1996 (which itself comes from section 5 the Policing and Crime Act 2009) places on the Commissioner and the Chief Constable a duty to publish copies of collaboration agreements to which they are party.

The partnership arrangement with the North-East Regional Organised Crime Unit (NEROCU), collaboration between the three Forces of Northumbria, Cleveland and Durham, is subject to a formal section 22a agreement and governance arrangements which ensure it is monitored regularly throughout the year.

Promoting Values of Good Governance through Upholding High Standards of Conduct and Behaviour

The OPCC is responsible for handling complaints and conduct matters in relation to the Chief Constable, as well as scrutinising the Force's approach to the investigation of all other complaints and conduct matters.

The Chief Constable handles complaints and conduct matters through the Professional Standards Department (PSD) within Northumbria Police. The Head of PSD reports directly to the Deputy Chief Constable. It is the purpose of PSD to promote public confidence through upholding high standards, deterring misconduct and influencing individual and organisational behaviour. Governance around the performance of PSD, trends in complaints or conduct matters and lessons learned is provided to the Trust and Confidence Board. The Group is chaired by the Assistant Chief Constable (Force Coordination) and ensures that the provision of services is based on insight and engagement and considers aspects of legitimacy concerned with the use of police powers and decision making.

The Independent Office for Police Conduct (IOPC) scrutinise the performance of PSD with regards the quality and timeliness of decisions and investigations. Performance meetings are held between PSD, the Regional Director of the IOPC and Oversight Liaison (IOPC North East) on a quarterly basis.

Northumbria Police also has an Ethics Advisory Board comprising internal and external members, with links to the Regional Ethics Group. The Advisory Board ensures that the way Northumbria Police applies its working practices is ethical and legitimate. It also considers any highlighted ethical dilemmas, contributing as appropriate to the revision of Force policies and procedures.

The Chief Constable is the Data Controller for the Force, responsible for determining the purposes and manner in which personal data are processed. The Force has established an Information Management Department (IMD) which helps to fulfil the legal requirements associated with the Data Protection Act 2018, ensuring information and systems comply with all Data Protection principles and legislation as set out in the Act. Information management is a critical area of business required to ensure good governance.

Northumbria Police has a robust process for dealing with data breaches and during the 12 months to 31 March 2025 there were no data breaches requiring a report to the Information Commissioner's Office (ICO). The 2024/25 audit of Information Governance and Data Protection found that control systems were operating well with no recommendations raised.

There are no significant areas of concern that need to be disclosed within the AGS.

Taking Informed and Transparent Decisions Which are Subject to Effective Scrutiny and Risk Management

All strategic decision-making is carried out in accordance with the Commissioner's Governance Framework.

The Governance arrangements ensure that key decisions are taken at the appropriate level and are referred to the Commissioner as required. Through regular meetings the Chief Constable is subject to the oversight and scrutiny of the Commissioner.

The Joint Independent Audit Committee (JIAC) of the Commissioner and Chief Constable has five independent members who are appointees from within the Force area. JIAC receives reports from both the internal and external auditors, as well as any other reports required to be referred to it under its established Terms of Reference. Through this body the Chief Constable is subject to challenge not only by the Commissioner, but also of the independent members of the JIAC.

The Commissioner and Chief Constable each have a Strategic Risk Register which is been designed to ensure the effective management of strategic risk. Each strategic risk is assigned an owner from the Force's Executive Team or OPCC as appropriate, who has responsibility for the management of controls and the implementation of new controls where necessary. The Force's strategic risks are reported at the Force's Executive Board and reported alongside those of the OPCC at Joint Business Meeting on a quarterly basis. A Joint Strategic Risk Register is also presented to all meetings of the JIAC.

Developing the Capacity and Capability of Officers of the Force to be Effective

The Commissioner and Chief Constable ensure that they have appropriate personal performance development processes for all staff that underpin and support the performance of the local policing area or department in which they work and their own personal development. Objectives are aligned to the Commissioner's Police and Crime Plan, supported by the Northumbria Police Purpose, Vision and Objectives.

In 2024 the Chief Constable launched the new **Force Strategy**, following feedback from officers and staff in the Force Survey that they wanted 'clear and simple direction'.

The **PURPOSE** of the Force is unchanged, 'Keep people safe and fight crime'.

The Force has simplified its **VISION**, 'To be an outstanding police force'.

New force **OBJECTIVES** introduce three key areas for all officers and staff to concentrate on:

- Focus on prevention.
- Be there when the public needs us.
- Deliver an outstanding service.

The Force Strategy is underpinned by the principles outlined in the newly revived College of Policing Code of Ethics, **‘Do the right things, in the right way, for the right reasons.’**

In March 2024 the Force announced the new Police Leadership Framework (PLF) in Northumbria, developed by the College of Policing.

The Framework includes different programme levels which are tailored to individual roles and stages of leadership. Each programme of learning seeks to improve core leadership skills which include:

- Problem solving
- Leading high performing teams
- Effective communication
- Decision making
- Team wellbeing
- Resilience
- Challenging unacceptable behaviour

The Police Leadership Framework has been developed to change the way forces deliver leadership across policing, with training based on leadership standards that are derived from the Code of Ethics.

The Force has kickstarted training under the new Framework with the launch of the mandatory ‘Everyone as a Leader’ training module, providing everyone in the Force with an introduction to leadership.

The training serves as an introduction to the national leadership standards and the leadership development framework. The Force aim is to improve people’s leadership skills and confidence, regardless of their role. To be an outstanding force, we want our people to feel confident as leaders – doing the right things, in the right way for the right reasons.

In 2024/25 new officers have entered policing in Northumbria through a number of entry routes including the Police Constable Degree Apprenticeship (PCDA), the Degree Holder Entry Programme (DHEP), the Graduate Detective Programme (GDP) and the Initial Police Learning Development Programme (IPLDP). The Force has also recruited through the Police Constable Entry Programme (PCEP) a new programme within the suite of existing police constable entry routes, available to all forces from April 2024.

The recruitment drive by Northumbria Police received praise in a previous report from His Majesty’s Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS), highlighting the Force’s successful innovative approach to attracting candidates from under-represented groups.

Value for Money and Reliable Financial and Performance Statements are Reported and Internal Financial Controls Followed

Financial control involves the existence of a control structure which ensures that all resources are used as efficiently and effectively as possible to attain the Commissioner’s and Chief Constable’s objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of those assets and resources over which the Chief Constable has delegated control.

The Internal Audit Service, provided under an agreement with Gateshead Council, is required to objectively examine, evaluate and report upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the Commissioner and Chief Constable's resources.

This is achieved through the delivery of a risk based annual audit plan which is monitored by the JIAC on a quarterly basis. The Internal Audit Executive also prepares an annual report based on the work of the Internal Audit Service which provides an independent and objective opinion on the internal control, governance and risk environments of the Commissioner and Chief Constable, based on the work undertaken by the Internal Audit Service throughout 2024/25.

The financial management and performance reporting framework follows national and/or professional best practice, and its key-elements are set out below:

- Financial Regulations establish the principles of financial control. They are designed to ensure that the Commissioner conducts financial affairs in a way which complies with statutory provision and reflects best professional practice. Contract Standing Orders set-out the rules to be followed in respect of contracts for the supply of goods and services.
- A robust system through which the Force manages Finance, People Services, Payroll and Procurement processes is used throughout the Force. This enables systematic control to be applied, particularly in relation to budget management. This ensures that responsibility and accountability for resources rest with those managers who are responsible for service provision. This is underpinned by systematic controls which ensure financial commitments are approved by the relevant manager.
- In accordance with the Prudential Code and best accounting practice, the Commissioner produces a four-year Medium Term Financial Strategy (MTFS) and capital programme. The Chief Constable produces a Medium-Term Financial Plan (MTFP) that informs the MTFS of the Commissioner. These are reviewed on an on-going basis and form the core of resource planning, setting the precept level, the annual revenue budget and capital programme.
- The MTFS includes known commitments, anticipated resource availability and other expenditure items which the Chief Constable has identified as necessary to deliver both national and local policing priorities.
- The Force has introduced a Priority Based Budgeting (PBB) approach to business planning aimed at creating efficiency savings to best invest for the future, and which can be delivered whilst maintaining performance and identifying opportunities to improve policing services. Efficiencies identified through PBB were delivered in 2024/25, with further savings reflected across the MTFS period 2025/26 to 2028/29.
- The annual revenue budget provides an estimate of the annual income and expenditure requirements for the Chief Constable and sets out the financial implications of the Commissioner's policies. It provides the Executive Team with the authority to incur expenditure and a basis on which to monitor and report on financial performance.
- The Commissioner approved a balanced budget for the Force in 2024/25 which included an increase in the Council Tax Precept of £13.00 per year for a Band D property.
- The additional income generated by the precept increase for 2024/25 was £5.384m and was used to:
 - Allow Northumbria Police to introduce a force-wide Motorbike ASB Unit.

- Allow the force to safeguard and hire new investigators, including digital forensic specialists.
- Avoid the need for further cuts to the frontline police budget.
- Monthly financial performance reports are presented to the Executive Board that focus on year-to-date information and forecast outturn enabling officers to establish a clear understanding of financial performance. These are then presented quarterly to the Commissioner through the joint Business Meeting, and these are available on the Commissioner website for wider scrutiny of financial performance by the public. Additional monitoring reports are produced and discussed with budget managers on a regular basis throughout the year.

Review of Effectiveness

The Chief Constable has a responsibility to ensure, at least annually, that an evaluation of the effectiveness of the governance framework, including the system of internal audit and system of internal control is undertaken. This is informed by the internal audit assurance, opinions and reports of our external auditors and other inspection bodies, as well as the work of the CFO and of managers within the Force who have responsibility for the development and maintenance of the governance environment.

For 2024/25, the review process has been led by the Joint Police and Crime Commissioner/Chief Constable Governance Monitoring Group and considered by the JIAC and has taken account of:

- The system of internal Audit
- Senior manager's assurance statements
- Governance arrangements
- Financial Controls - An assessment of the role of the CFO in accordance with best practice
- Views of the external auditor
- HMICFRS and other external inspectorates
- The legal and regulatory framework
- Risk management arrangements
- Performance management and data quality
- Other 'Thematic Assurance'
 - Business Planning
 - Partnership arrangements and governance
 - Information and Communications Technology (ICT) Arrangements
 - Fraud, Corruption and Money Laundering
 - Wellbeing
- CIPFA Financial Management Code self-assessment

Included within the above assurance review is the CIPFA Financial Management Code self-assessment which was first introduced in 2020/21 and became mandatory from 2021/22. The Code is based on a series of principles supported by specific standards which are considered necessary to provide a strong foundation to manage the short, medium, and long-term finances of a public body, manage financial resilience to meet unforeseen demands on services and manage unexpected changes in financial circumstances.

The assessment has been divided into seven specific sections; each has been assigned a Red, Amber, or Green (RAG) rating in-line with the scale of the improvements required for full compliance. A Red rating indicates that significant improvements are required; an Amber rating indicates that moderate improvements are required; and a Green rating indicates that no improvements or minor improvements may be required. The RAG assessment ratings for 2024/25 against each section are noted below:

- The Responsibilities of the Chief Finance Officer and Leadership Team (Green)
- Governance and Financial Management Style (Green)
- Long to Medium Term Financial Management (Green)
- The Annual Budget (Green)
- Stakeholder Engagement and Business Plans (Green)
- Monitoring Financial Performance (Green)
- External Financial Reporting (Green)

From the overall review of effectiveness, no issues were identified as governance issues, which required disclosure within this AGS.

For the senior managers' assurance statements, each area of responsibility was assessed using a standard governance questionnaire. There were no areas of non-compliance identified for disclosure in the AGS.

Auditors Annual Report (AAR) 2024/25

In November 2025, the external auditors issued their Draft Auditors Annual Report (AAR) for 2024/25, which includes an assessment of whether the Chief Constable has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources. In line with National Audit Office requirements, this assessment covers three key areas: Financial Sustainability, Governance, and Improving Economy, Efficiency and Effectiveness.

The Draft AAR for 2024/25, concluded that there were no significant weaknesses and no improvement recommendations in respect of Financial Sustainability or arrangements to improve Economy, Efficiency and Effectiveness. These findings demonstrate the continued robustness of financial planning processes and the effectiveness of ongoing improvement activity across the organisation.

However, a significant governance weakness was identified in relation to capacity within the Finance function. During 2025, the Finance team faced considerable resourcing pressures, including vacancies, sickness absence, and maternity leave. Despite proactive efforts to manage these challenges, the reduced capacity affected service delivery. The auditors were kept fully informed throughout, and, as a result, elements of planned audit work were paused. This meant the original target date for completion of the audit in December 2025 could not be met, and the Joint Independent Audit Committee (JIAC) received an update on the position in November 2025.

Management accepted the audit findings and committed to a comprehensive set of actions to address the capacity issues and build greater resilience within the Finance team. Additional staff were deployed to support the completion of outstanding work and to strengthen resources ahead of the 2025/26 financial year-end. This included bringing in external staff to supplement internal capacity. These measures were implemented to ensure that the Chief Constable and Commissioner were fully able to meet the statutory audit and accounts Backstop publication date of 27 February 2026, and to prevent recurrence of the issues identified.

Internal Audit Overall Assessment & Independent Opinion

The assessment by Internal Audit of the Commissioner and Chief Constable's internal control environment and governance arrangements makes up a fundamental element of assurance for the AGS.

There were 29 audits within the 2024/25 audit plan, all of which are complete. Of the 29 reports, 27 audits concluded that systems and procedures were operating well, and 2 audits concluded that systems and procedures were operating satisfactorily. There were no audits assessed as having significant weaknesses.

Based on the evidence arising from internal audit activity during 2024/25, including advice on governance arrangements, the Commissioner and Chief Constable's internal control systems and risk management and governance arrangements are considered to be effective.

As part of the 2024/25 audit plan, approved by the JIAC, the audit of governance was completed. The audit found systems and controls are operating well and no findings were raised.

Actions from the 2023/24 Statement

There are no actions outstanding from the 2023/24 Statement.

2024/25 Governance Issues

The review has identified one governance issue that needs to be included within the 2024/25 Annual Governance Statement.

The Draft Auditors Annual Report (AAR) for 2024/25 identified a significant weakness in relation to capacity within the Finance function and set out their recommendations:

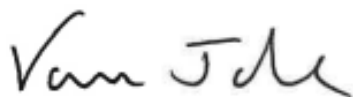
- Review the capacity of the Finance Team.
- Ensure that there is the appropriate strength and depth in the finance team to establish robust contingency plans to ensure the finance team's functions continue during unexpected absences or resource constraints.
- Consideration of cross-training staff so critical roles can be covered, defining clear protocols for prioritizing essential financial reporting and audit support tasks and implementing quality control processes.

Conclusion

No system of internal control can provide absolute assurance against material misstatement or loss; this statement is intended to provide reasonable assurance.

However, on the basis of the review of the sources of assurance set out in this statement, the undersigned are satisfied that the Chief Constable of Northumbria Police has in place satisfactory systems of internal control which facilitate the effective exercise of their functions, and which include arrangements for governance, control, and the management of risk.

SIGNED



Chief Constable



SIGNED

Deputy Chief Constable



SIGNED

Chief Finance Officer

Date: 27/02/2026

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF NORTHUMBRIA

Opinion

We have audited the financial statements of the Chief Constable of Northumbria for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Chief Constable of Northumbria Movement in Reserves Statement;
- Chief Constable of Northumbria Comprehensive Income and Expenditure Statement;
- Chief Constable of Northumbria Balance Sheet;
- Chief Constable of Northumbria Cash Flow Statement and the related notes 1 to 21, including material accounting policy information; and
- Chief Constable of Northumbria Pension Fund Account and its related notes 1 to 5.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Northumbria as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Chief Constable for Northumbria in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period to 31 March 2027.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Chief Constable's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statements of Account, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Statements of Account.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

In respect of the following, we have matters to report by exception:

- Report on the Chief Constable of Northumbria's proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Report on the Chief Constable of Northumbria's proper arrangements for securing economy, efficiency and effectiveness in the use of resources

We report to you, if we are not satisfied that the Chief Constable of Northumbria has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

On the basis of our work, having regard to the Code of Audit Practice 2024 and the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Chief Constable of Northumbria's arrangements for the year ended 31 March 2025.

Significant weakness in arrangements

Capacity constraints of the finance team of the Chief Constable of Northumbria for 2024/25

Our judgement on the nature of the weakness identified

Severe and prolonged capacity constraints within the finance team - arising from vacancies in key roles, unexpected staff absences, and structural gaps - resulted in substantial delays in the audit timetable and affected the quality and timeliness of provision of sufficient and appropriate evidence for audit. The loss of key senior staff, combined with vacancies and periods of reduced availability, left the finance function without sufficient capacity to support the audit.

The evidence on which our view is based

Audit logs and correspondence documenting repeated delays in the provision of audit evidence between July 2025 to January 2026 and meetings with management.

The impact on the Chief Constable of Northumbria

Failure to improve the Chief Constable's processes to support the external audit and provide audit evidence on a timely basis may impact its ability to meet its statutory financial reporting deadlines.

The action the Chief Constable of Northumbria needs to take to address the weakness.

The Chief Constable of Northumbria should regularly review the capacity of the finance team to ensure that they are satisfied that there is the appropriate strength and depth in the finance team to effectively support the timely delivery of the external audit.

This issue is evidence of weaknesses in proper arrangements for how the Chief Constable ensures effective processes and systems are in place to support its statutory financial reporting requirements.

Responsibilities of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities set out on page 25, the Chief Finance Officer is responsible for the preparation of the Statements of Account, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable either intends to cease operations, or has no realistic alternative but to do so.

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant are:
 - Local Government Act 1972,
 - Local Government Act 2003,
 - The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
 - The Local Audit and Accountability Act 2014 (as amended),
 - The Accounts and Audit Regulations 2015,
 - The Police Reform and Social Responsibility Act 2011,
 - Anti-social behaviour, Police and Crime Act 2014,
 - Police Pensions scheme regulations 1987,
 - Police Pensions regulations 2006, and
 - Police Pensions regulations 2015.

In addition, the Chief Constable has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, procurement and health & safety.

- We understood how the Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit and those charged with governance, and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Chief Constable's committee minutes and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified management override of controls to be our fraud risks.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We also tested estimates for evidence of management bias and performed procedures to identify any significant or unusual transactions in the accounts for testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2024, as to whether the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Chief Constable of Northumbria has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delayed Certificate

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Chief Constable of Northumbria.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Chief Constable of Northumbria, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Northumbria, for our audit work, for this report, or for the opinions we have formed.

Claire Mellons
Ernst & Young LLP

Claire Mellons (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Newcastle upon Tyne
27 March 2026

Glossary of Terms

Accounting policies are those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through: Recognising;

- Selecting measurement bases for; and
- Presenting assets, liabilities, gains, losses and changes to reserves.
- Accounting policies do not include estimation techniques.
- Accounting policies define the process whereby transactions and other events are reflected in financial statements.

Accruals: the accruals basis of accounting is where transactions and other economic events are reported in the period of activity to which they relate rather than when cash is received or paid.

Actuarial gains and losses: Actuarial gain or loss refers to an increase or a decrease in the projections used to value a defined benefit pension plan obligations.

Amortisation: is the process of writing-off the cost of an intangible asset over its economic life. It is analogous to depreciation of tangible non-current assets.

Assets: an asset is “a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity” (IASB definition).

Budgets: a statement of the Chief Constable’s forecast of net revenue and capital expenditure over a period of time, i.e. A financial year.

Capital charges: are charges to the Comprehensive Income & Expenditure to reflect the cost of using assets. They are based upon depreciation, which represents the cost of using the asset.

Capital expenditure: is expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital receipts: are proceeds from the sale of the Commissioner’s buildings or from the repayment of loans and advances.

Cash: comprises cash in hand and demand deposits.

Cash equivalents: are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CIPFA: (the Chartered Institute of Public Finance and Accountancy) provides guidance in the interest of public services. It is the professional body for accountants working in the UK public sector. It provides financial and statistical information for local authorities and other public sector bodies, and advises Central Government and other bodies on public finance.

Constructive obligation: is an obligation that derives from an entity’s actions where:

By an established pattern of past practice, published policies or a sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities, and as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingencies: are funds set aside as a reserve to meet the cost of unforeseen items of expenditure, or shortfalls in income and to provide for inflation. This is not included in individual budgets because their precise value cannot be determined in advance.

Contingent assets: are possible assets arising from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Commissioner’s control.

Contingent liabilities are either:

Glossary of Terms

Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Commissioner's control; or

Present obligations arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Corporate & Democratic Core: comprises democratic representation, governance and management by the office of the Commissioner. Corporate Management costs concerns those activities and costs that provide the infrastructure that allows services to be provided and the information that is required for public accountability, for example, treasury management and external audit.

Corporate governance: is the system by which an organisation directs and controls its functions and relates them to its communities.

Creditors: are amounts owed for goods and services received but where payment has not been made at the end of the financial year (i.e. 31 March).

Current assets: cash and other assets likely to be converted to cash or consumed within one year.

Current liabilities: are amounts owed to individuals or organisations that will be paid within twelve months of the Balance Sheet date.

Current service cost (pensions): is the increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Debtors: are amounts owed to the Commissioner for goods and services supplied but where payment has not been received at the end of the financial year.

Deferred liabilities: are liabilities that should have been paid to an individual or an organisation during the year but have been deferred to a later date.

Defined benefit scheme: is 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 not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Defined contribution scheme: is a pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Discretionary benefits: are retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Chief Constable's discretionary powers, such as the Local Government (Discretionary Payments) Regulations 1996.

Estimates: are amounts that the Commissioner expects to spend or receive as income during an accounting period:

Original Estimates are the estimates for a financial year approved by the Commissioner before the start of the financial year.

Revised Estimates are an updated revision of the estimates for a financial year prepared within the financial year.

Estimation techniques: are methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves.

Estimation techniques implement the measurement aspects of accounting policies. A policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. They include, for example:

Glossary of Terms

Methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a non-current asset consumed in a period; and

Different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as a whole rather than individual balances.

Events after the Reporting Period: are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statements of Account are authorised for issue.

Exceptional items: are material items which derive from events or transactions that fall within the ordinary activities of the Chief Constable and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Formula grant: is the general grant given by the Home Office to spending on services.

General Fund: holds the police fund and is the main reserve into which Council Tax Precept, government grant and other income is paid into and from which meets the day-to-day cost of providing services.

Government grant: is assistance by government, inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the Commissioner in return for past or future compliance with certain conditions relating to the activities of the authority.

Gross expenditure: is the total cost of providing the Commissioner's services before taking into account income.

IAS (International Accounting Standards): are accounting pronouncements issued by the International Accounting Standards Board. They have been adopted by the UK public sector in a move to make it more comparable with both the private sector and the international community as a whole.

IFRSs (International Financial Reporting Standards): are accounting pronouncements issued by the IASB. They have been adopted (or, in some cases, interpreted or adapted) by the UK public sector in an attempt to make it more comparable with both the private sector and the international community as a whole.

Liabilities: Money owed or the obligation to transfer economic benefit at some point in the future.

Local Government Pension Scheme (LGPS): is a nationwide public sector pension scheme for employees working in local government. It is administered locally for participating employers through many regional pension funds. South Tyneside Council is the Fund Administering Authority for the LGPS offered to employees by the Chief Constable and is responsible for the governance of the Fund.

Materiality: an item of information is material if its omission or misstatement from the accounts might reasonably affect the assessment of the authority's stewardship, economic decisions or comparison with other entities. Materiality is dependent on the size and nature of the item in question.

Non-current assets: are those that yield benefits to an entity and the services it provides for a period of more than one year.

Past service cost: for a defined benefit pension scheme, is the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Pension fund: an employees' pension fund which is maintained by an authority, or group of authorities, in order to make pension payments on retirement of participants. It is financed from contributions from the employing authority, the employee and investment income.

Police and Crime Commissioner (Commissioner / PCC): a person elected who is accountable to the public for ensuring an effective and efficient police Force.

Glossary of Terms

Police Fund: is the fund into which all receipts of a Police and Crime Commissioner must be paid and from which all expenditure must be paid out of.

Police Grant: is grant paid by the Home Office to police and crime commissioners as part of the Local Government Finance Settlement.

Police Pension Scheme: is the collective term used for the pension schemes for police officers and comprises the Police Pension Scheme 1987, the New Police Pension Scheme 2006, the Police Pension Scheme 2015, and the Police Injury Benefit Scheme. The rules of which are set out in The Police Pension Regulations 1987, The Police Pension Regulations 2006, The Police Pension Regulations 2015, and The Police (Injury Benefit) Regulations 2006, and subsequent amendments.

Police staff: includes staff under the direction and control of the Chief Constable.

Precepts: the demands made by the Police and Crime Commissioner on councils to finance police expenditure.

Prior period adjustments: are material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provisions: are amounts set aside in the accounts for liabilities that are likely to be incurred or assets that are likely to be received but where the amounts or the dates on which they will arise are uncertain.

Prudential borrowing: all borrowing must remain within the Commissioner's prudential borrowing limits (see Prudential Code), which are agreed annually by Commissioner.

Prudential Code for Capital Finance in Local Authorities: this replaced the previous regulatory frameworks in England, Wales and Scotland. The 2003 Code introduced a need for local authorities to consider capital spending plans with reference to affordability (implications for Council Tax), prudence and sustainability, value for money, stewardship of assets, strategic objectives and the practicality of the plans.

Related parties: a related party is a person or entity that is related to the entity that is preparing its financial statements.

A person or a close member of that person's family is related to a reporting entity if that person:

1. Has control or joint control over the reporting entity;
2. Has significant influence over the reporting entity; or
3. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions apply:

1. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
2. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
3. Both entities are joint ventures of the same third party
4. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
5. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
6. The entity is controlled or jointly controlled by a person identified in (a).
7. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Examples of related parties of an authority include:

- Central Government.
- Local authorities and other bodies Precepting or levying demands on the Council Tax.

Glossary of Terms

- Its subsidiaries and associated companies.
- Its joint ventures and joint venture partners.
- Its members.
- Its chief officers.
- Its pension fund.

Related party transaction: is a transfer of resources or obligations between a reporting entity and a related party, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

Remuneration: is defined as sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

Reserves: are monies set aside by the Commissioner for future police purposes or to cover contingencies.

Retirement benefits: are all forms of consideration given by the Commissioner 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:

An employer's decision 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, because these are not given in exchange for services rendered by employees.

Revenue expenditure: is incurred on the day-to-day running of the Chief Constable's activities; the costs principally include employee expenses, premises costs, supplies and transport.

Scheme liabilities: (of a defined benefit scheme) are outgoings due after the valuation date. They are measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Service Reporting Code of Practice (SeRCOP): provides guidance on financial reporting to ensure data consistency and comparability between authorities. It was introduced by CIPFA in response to the demand placed upon authorities to secure and demonstrate best value in the provision of services to the community.

Short Term Accumulating Absences Account: represents the estimated financial value of untaken short-term employee benefits, e.g. Annual leave, at the end of the financial period.

Strain on the Fund: when a member of the Local Government Pension Fund is allowed to retire early (e.g. Efficiency, redundancy or with the Chief Constable's consent) employee and employer pension contributions stop but benefits become payable earlier than assumed and will be paid for a longer period. To meet the additional cost to the fund, the employer must make additional payments called strain costs.

Support services: or overheads, are those services that support the delivery of front line services.

Unusable reserves: are those reserves that the Chief Constable is not able to use to provide services. This category of reserves includes reserves that hold unrealisable gains and losses, where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences. **Note 9** provides further information on the individual reserves in this category.

Usable reserves: are those reserves that the Chief Constable may use to provide services, they can also be described as 'cash-backed'. **Note 9c** provides further information on the individual reserves in this category.

Useful life: or useful economic life, is the period over which an entity will derive benefits from the use of a fixed asset.

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Alternative formats of this Statement (including large print, easy read and translations into other languages) are available upon request.

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Image sources

Northumbria Police and Crime Commissioner