

Police & Crime Commissioner for Avon & Somerset

Officers of the Police & Crime Commissioner

The statutory Officers of the Police & Crime Commissioner (PCC) are

Mark Shelford	Police & Crime Commissioner for Avon & Somerset Constabulary to 8 May 2024
Clare Moody	Police & Crime Commissioner for Avon & Somerset Constabulary from 9 May 2024 Phone 01278 646188
Alice Ripley	Chief of Staff and Monitoring Officer to the Police & Crime Commissioner for Avon & Somerset Phone 01278 646188
Paul Butler	Chief Finance Officer to Police & Crime Commissioner for Avon & Somerset Phone 01278 646188
Address for Chief Officers	Valley Road Portishead Bristol BS20 8QJ

The statutory Officers of the Office of the Chief Constable (OCC) are

Sarah Crew	Chief Constable Phone 01278 646212
Nick Adams	Chief Officer Finance, Resources and Innovation Phone 01278 646400
Address for Chief Officers	Valley Road Portishead Bristol BS20 8QJ



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Chief Finance Officer's Narrative Report

This section highlights and explains some of the more relevant areas of finance, financial strategy and other key issues that are reported in the accounts and provides commentary on the key issues that have had a major effect on the finances now and those which may do so in the future. This statement should be read in conjunction with the Chief Finance Officer's Narrative Report in the Office of the Chief Constable's Statement of Accounts.

1 Introduction

The Statement of Accounts summarises the financial year for 2024/25. The income and expenditure, assets, liabilities and reserves which are recognised in the accounts of the Police and Crime Commissioner (PCC) reflect the current legislative framework as well as the local arrangements operating in practice. The key elements of the legislative framework and local arrangements include

- The Police Reform and Social Responsibility Act 2011 (The Act)
- The Home Office Financial Management Code of Practice for the Police Services of England and Wales (published in October 2013)
- Avon & Somerset PCC's Scheme of Governance

These financial statements include the following

- **A statement of responsibilities** - This sets out the responsibilities of the PCC and the CFO in respect of the Statement of Accounts
- **An annual governance statement** - This statement reviews the effectiveness of the PCC's strategic oversight and internal control processes.
- **A comprehensive income and expenditure statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Taxation is raised to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.
- **A movement in reserves statement** - This statement shows the movement during the year on the different reserves held by the PCC.
- **A balance sheet at 31 March 2025** - The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the PCC. The net assets of the PCC (assets less liabilities) are matched by the reserves held.
- **A cash flow statement** - The cash flow statement shows the changes in cash and cash equivalents during the year. The statement shows how cash and cash equivalents are generated and used by classifying cash flows under operating, investing or financing activities.
- **A police officers pension fund account statement** - This statement summarises the total police officer pension contributions and pension benefits paid. The difference is funded by the Home Office

2 Presentation of the Statement of Accounts

This Statement of Accounts is prepared in accordance with Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom (referred to hereafter as the CIPFA Code).

The Police and Crime Commissioner (PCC) and the Chief Constable are established as separate legal entities. The PCC is elected by the public to secure the maintenance of an efficient and effective

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police force and to hold the Chief Constable to account for the exercise of their functions and those of persons under their direction and control. The Chief Constable has a statutory responsibility for the control, direction, and delivery of operational policing services in the Avon and Somerset police area. Both the PCC and OCC are Schedule 2 bodies under the Local Audit and Accountability Act 2014 and are both required to publish a statement of accounts and be subject to audit.

3 Financial Performance

3.1 The Revenue Budget

The budget supports the policing requirement for the Avon and Somerset policing area which serves the five principal local authority areas of South Gloucestershire, Bath & North East Somerset, Bristol, North Somerset, and the county of Somerset. Around 1.7 million people live within the 1,844 square miles our area covers, with greater concentrations around our towns and cities, which include Bristol, Bath, Weston-Super-Mare, Taunton and Yeovil.

In February 2024 the PCC approved a 2024/2025 net revenue budget of £391.1m, an increase of £21.6m (5.8%) on the previous year. This budget was funded through a combination of Government grants (£223.9m/56.3%) and local council tax (£167.2m/43.7%). In total £386.3m was provided to the Chief Constable in order to support the provision of policing services to the communities of Avon & Somerset, an increase of £17.7m (4.8%).

In order to manage ongoing inflationary and other cost pressures the Constabulary needed to identify and deliver additional savings of £6.4m, which when combined with the increase in funding enabled us to deliver a balanced budget. This took cumulative savings since 2010/2011 to £103m.

Financial performance against budget is monitored throughout the year, reported to senior managers of the OCC and through to the PCC. These reports are published in order to provide public transparency of our financial performance.

The underlying revenue performance against budget delivered a small underspend of £0.6m. However, once year-end adjustments have been made, primarily relating to a necessary increase in our self-insurance position, the result was an overspend of £2.3m (0.6%). The overspend was offset by an appropriate transfer from reserves to achieve a breakeven position.

Revenue performance and the small underspend before adjustments were a consequence of several factors and reflected a complex financial environment with a changing inflationary position, nationally agreed pay awards and a number of changes to income during the year. The key areas included:

- **Officer pay and allowances** – This saw an overspend of £2.6m/1.4% against budget reflecting the 4.75% pay award (effective from September 2024) which had a greater cost than the 3.0% budgeted for. The pressure created by the pay award was in part recognised by the Government with additional grant funding.
- **Officer overtime** – An overspend of £4.0m/64.2% against budget was driven in large part by the impact and requirements of covering the abstraction of officers in training. Overtime is necessary to support local and national events, for which there is frequently offsetting income and regrettably, in 2024, the violent disorder seen on our streets generated its own overtime requirement. Underlying pressures that drive overtime are an ongoing area of focus.
- **Staff pay and allowances** – As with officer pay, the 4.75% pay award again drove an overspend on this budget. The 3% provided for in the pay budget was exceeded by approximately £1.2m. The ongoing vacancy position provided an offset to this of around £0.5m.
- **Staff overtime** – Cover for vacancies in areas that have been challenged by recruitment and retention largely generated the £1m/76.7% overspend against the overtime budget.
- **Pensions** – An underspend of £0.3m/3.6% against budget, largely reflects the movement in the underlying provision for ill-health retirements needed at the end of the financial year.

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- **Transport** – The small overspend of £58k/1.1% was generated by inflationary pressures and fleet maintenance costs.
- **Premises** – The underspend of £0.9m/5.5% reflects underspends on energy, rents and rates.
- **Other supplies and services** – we overspent by £0.8m/6.5%, reflecting a number of over and underspends: We saw an underspend on forcewide equipment budgets with offsetting overspends including legal and estates costs, as well as significant costs relating to kennelling arising from obligations in respect of dangerous dogs (partially offset by additional government grant).
- **Partnerships** – we have underspent by £99k/0.3%, which is largely reflective of vacancies within our Major Crime Investigation Team, and our shared specialist training function, offset by .
- **Income** – we received £7.0m/14.7% more in income than was budgeted. £3.7m of this relates to additional grant received to support the 4.75% pay award to officers and staff. Additional funding for temporarily recruiting above our original officer uplift targets contributed an additional £480k, with income for policing at Hinkley Point, custody support to the Criminal Justice system adding £0.7m. We also over-achieved our income budget for operational mutual aid and special services income (£0.9m), offsetting overtime pressures as above and have over-achieved against our investment income budget by £950k, reflecting the strong returns seen throughout the year.

A full account of the financial performance for 2024/2025 is reported to the PCC at the Governance and Scrutiny Board and can be found published on the PCC's website.

4 Financial Outlook

The PCC and Chief Constable jointly set out their forward financial forecasts within their Medium Term Financial Plan (MTFP) each year. The MTFP, published in February 2025, covers the five-year period from 2025/2026 through until 2029/2030. The below provides the headlines from this forecast, however, we recognise the current economic climate will continue to present challenges and we will continue to proactively monitor and adjust our forecasts as necessary.

4.1 Revenue Budget

Our current revenue forecasts show our costs continue to increase at a faster rate than our revenue funding. This reflects the inflationary challenges in both pay and non-pay budgets, alongside specific risks and issues, such as with the costs of police pensions.

	2025/2026 £'000	2026/2027 £'000	2027/2028 £'000	2028/2029 £'000	2029/2030 £'000
Budget requirement	417,625	435,335	448,108	459,741	470,669
Less total funding	-411,196	-419,585	-430,111	-438,484	-447,074
Surplus(-)/deficit before savings	6,429	15,750	17,997	21,257	23,595
Savings	-6,429	-11,164	-12,313	-12,322	-12,383
Surplus(-)/deficit after savings	0	4,586	5,684	8,935	11,212

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The key assumptions that underpin this forecast position are:

- ✚ Our funding is forecast to grow by £56.0m/14.3% p.a. by 2029/2030, driven by increases to both the core grant funding (+£16.6m/7.4%) and to council tax funding (+£39.4m/23.6%).
- ✚ Our budget requirement is forecast to increase by £67.2m/17.2% p.a. by 2029/2030, driven by many factors, including:
 - Inflationary adjustments to officer and staff pay incorporating the full year of the 4.7% pay award, and then 2.8% in 2025/26, 2.5% in 2026/27 and 2.0% in each year thereafter, increasing costs by £52.0m p.a. by 2029/2030.
 - Increased national insurance costs resulting from the increase in the employer's contribution rate as announced by the Chancellor of the Exchequer in her October 2024 budget statement. These costs are offset by the provision of a specific grant announced in the funding settlement, meaning there was no bottom-line increase arising from this change.
 - Adjustments to the average cost of an officer and staff which reflects the gradual maturing of our workforce profile and the incremental pay progression that is associated with this, resulting in an increase of £2.4m p.a. by 2029/2030.
 - Inflationary increases to general and specific (e.g. fuel, utilities, etc) non-pay costs are assumed to add £13.2m p.a. by 2029/2030.
 - Increases to our share in the cost of partnerships, reflecting the impact of the same assumptions made around pay and inflation as against our own budgets, as well as increase to the employer national insurance – an increase of £4.7m p.a. by 2029/2030.
 - Increases to the ring-fenced grant funding by £9.4m effective from 2025/2026, reducing to £6.3m p.a. by 2029/2030, which reflects the funding in support of the national insurance increases, as well as a new neighbourhood policing guarantee.
 - Increases to income budgets, reflecting inflationary increases and forecast increases in return on investments – an increase of £1.0m in 2025/2026 but a reduction of £2.2m p.a. by 2029/2030.
 - Adjustments to budgets recognising a reduction of £0.7m p.a. from 2025/2026, reflecting the changes against our previous plans, including elements of inflationary provision set aside in 2024/2025 which, when compared to the actual cost incurred, could be released from budget on a recurring basis
 - Delivery of new planned and targeted revenue savings of £6.4m p.a. from 2025/2026, rising to £12.4m by 2029/2030.

The budget and Medium-Term Financial Plan are live documents and are actively monitored and adjusted as appropriate to maintain a sound and balanced financial position.

4.2 Treasury Management

In the financial year 2024/2025 the PCC complied in full with the CIPFA prudential code of practice and CIPFA Treasury Management code of practice and operated within all agreed prudential indicators set out in the published Treasury Management Strategy Statement.

The PCC continued to adopt a passive borrowing strategy and will only take new borrowing if absolutely required to manage risk, support capital programmes and manage cash holdings. No additional long-term borrowing was taken in 2024/25. As a result long-term borrowing £40m after

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scheduled repayments. In addition to new debt funding, the PCC utilises direct revenue funding, capital reserves, receipts from the sale of assets and other government grants in order to fund capital programmes which must all have approved business cases.

Cash balances reduced during the year due to the timing of cashflows but cash remains sufficient to underwrite the reserve levels required by the PCC for risk and capital funding and manage working capital movements. Deposit return rates have continued to strengthen with yield increasing to £3.71m from £1.5m for the previous year. With the cash holdings, the PCC has retained the approved counterparties that may be used to spread risk and maximise returns whilst always adhering to the agreed counterparty ratings limits and prudential indicators set out in the published treasury management strategy.

4.3 Policing Precept

In December 2024, the policing minister confirmed that PCCs would have the flexibility to raise the policing precept by up to £14 p.a. for an average band D property in setting the 2025/2026 budget. This flexibility reflected the recognition of ongoing significant inflationary pressures faced by forces, alongside the Government's expectation that forces would maintain police officer uplift numbers. In accordance with this announcement and after public consultation, the PCC chose to recommend an increase of the maximum amount, equivalent to 5.0%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm approval of this increase and the underlying budget.

4.4 Capital and Projects

The MTFP includes a capital and projects programme of £105.6m over the next five years, with identified funding at the time this programme was presented of £87.2m, resulting in a funding deficit of £18.4m.

This programme includes forecast investment into ICT, Estate, Fleet and other assets, both to support ongoing maintenance and renewal of existing capabilities as well as to support new investment. While the plan outlines the expected areas of spend, many of the individual areas for investment will still need to present a business case prior to any approval to progress.

ICT forecast spend include £14.7m of forecast costs of replacing existing personal issue equipment (e.g. laptops, mobile phones and body worn video cameras) and infrastructure (e.g. video conferencing and digital interview recording equipment). Our plans also include £22.8m on ICT projects, including the provision of a new Enterprise Resource Planning (ERP) system, a new Dynamic Decision and Case Management System, the roll out of new digital communications devices to replace our legacy airwave radio systems as well as several smaller projects.

Forecasts spend on estate of £34.6m includes some ongoing capital replacement and repairs work, a number of projects including plans in Yeovil, Somerton, Crewkerne, Frome, Bath, Chipping Sodbury and Central Bristol (Trinity Road) as well as force-wide projects to introduce electric vehicle charging capabilities across our estate and a project to upgrade our achieving best evidence (ABE) interview suites.

Our programme also includes £10.3m to enable further gradual transition to electric powered vehicles, ensuring that the charging infrastructure we will need across our estate is in place to sustain this.

We will continue to review options for how we can close the deficit in our funding. This will include working with other forces for recognition and funding in support of the costs we will face in respect of installing essential Electric Vehicle Charging Infrastructure and transitioning to an electric fleet.

During the year capital spend amounted to £21.1m. The following table shows how the money was spent

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Capital Expenditure		£'000
Asset Replacement & Renewal		8,545
Digital Projects		1,191
Estate Projects		4,791
Revenue Projects		4,094
Funded		2,457
Total		<u>21,078</u>

4.5 Approach to Future Challenges and Funding

The Funding Settlement announced at the end of 2024 set out the approach for the year by the new government, with an undertaking for a longer term settlement in 2025. The Government confirmed its commitment to existing uplift targets and further supplemented this by announcing additional funding for a Neighbourhood Policing Grant which will increase officer numbers further increasing the policing presence in neighbourhood policing. Delivering and sustaining these ambitions for growth in a sustainable way required both an ongoing commitment to a savings programme, and for full use of precept flexibility. We recognise that the proportion of our funding that comes from the council tax precept has relentlessly increased and are aware of the cumulative impact that this trend has on our population.

Forecasting beyond 2025/26 is inevitably a challenge; our forecasts therefore reflect our prudent assessment as best we can make it at this stage, but we would hope for some greater clarity once we have a new multi-year spending review. The government has set out a direction of travel for policing which is intended to deliver greater consistency nationally and regionally with the intention of delivering economies of scale in key procurement areas. The initial focus areas will be in respect of fleet, energy, contingent labour and I.T.

Our MTFP reflects our response to the challenges of balancing the 2025/26 budget and the work that is in progress to address the remaining funding gap beyond this. This will require more to be delivered from our savings work and remains a key management focus.

The challenge of balancing our budgets does not undermine our ambitions for continuous improvement and to deliver outstanding policing for the communities of Avon and Somerset. Avon and Somerset are an innovative and ambitious police force, which remains focussed on releasing the capacity of its officers and staff to improve our efficiency and effectiveness in the services we provide to the public. Such innovation requires the financial capacity to support investment, and therefore the identification of savings is as much about supporting this need as it is to balance our budgets. In this respect our savings plans are integral to our wider strategic planning as an organisation.

Our record of accomplishment in delivering efficiencies and savings over more than a decade demonstrates our ability to effectively balance budgets alongside achieving capacity to support targeted investments that further our ambitions.

5 Commissioning

Over £10.5 million has been spent by the PCC in 2024-25, with additional contributions from partners, to support delivery of the Police and Crime Plan for Avon and Somerset. The PCC has been able to do this both through local investment and by successfully securing additional government funding for specific purposes to the benefit of local communities.

PCC funding has contributed towards a number of OPCC portfolios over 2024-25

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- **Victim Services** - In 2024/25 the PCC received a total of over £3.9m Ministry of Justice funding for victims services. Services commissioned include advocacy, support related to abuse and exploitation, restorative justice and sexual assault support services.
- **Serious Violence** – The OPCC received over £1.6m from the Home Office to support the work of the Violence Reduction Unit and Serious Violence Duty in 24/25. The Avon and Somerset model is devolved seeing the OPCC work in collaboration with the five Community Safety Partnership areas with these local Violence Reduction Partnerships as overseen through a Strategic Governance Group chaired by the PCC and work is driven forward by the OPCC VRP Hub team.
- **Perpetrators and Prevention** – The OPCC continues to invest in services related to mental health, police custody and reducing reoffending as well as local community safety initiatives via a Police and Crime grant to Community Safety Partnerships. The two Community Foundations across Avon and Somerset continued to run the Commissioner’s Crime Prevention Fund, awarding grants of up to £5,000 to charities and community groups to support prevention activity in line with the Police and Crime Plan priorities. During 24/25 the OPCC was successful in bidding for Home Office Domestic Abuse Perpetrator funding – Home Office funding of £526,366 plus match funding from three local authorities funded the DRIVE Project. The OPCC was also successful in bidding for Ministry of Justice funding of £117,757 in 24/25 to fund local integration of women’s services.
- **Safer Streets Funding** – the OPCC was successful in bidding for £355,000 of Safer Streets funding from the Home Office in 24/25.
- **Hotspot Response** – the OPCC was successful in bidding for £1.6m of Hotspot Response funding from the Home Office in 24/25

6 Procurement

Our strategic procurement service is provided by the South West Police Procurement Service (SWPPS). This service, which is hosted by Devon and Cornwall Constabulary on behalf of the five south west forces, ensures compliant delivery of contracted procurement with our suppliers.

During 2024/2025 we have identified and delivered £1.1m savings through procurement and ongoing contract management. The delivery of procurement savings is an important component of demonstrating how we achieve value for money.

7 Accounting for Pensions

In line with International Accounting Standard (IAS) 19 on employee benefits, we are reporting a significant pensions liability of £3.0bn, shown on the balance sheet. This is reduced when the pension scheme assets of £0.6bn are considered. The net liability of £2.5bn is offset by an intragroup debtor with the PCC. More details are disclosed in notes 13-15. The liability has no impact on the reported outturn and the usable reserves.

8 Conclusion

The overarching principles of prudent and effective management of the financial affairs of the PCC and Chief Constable have been, and continue to be, applied as part of the strategic management of the organisation. Best practices and CIPFA guidance and codes of practice in financial management, governance, and treasury management are being followed.

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The PCC, the Chief Constable, their CFOs and the senior leadership teams have a strong focus on managing costs, achieving value for money, driving innovation to deliver better and more efficient services, whilst ensuring that service performance is still being maintained or improved. Maintaining the most effective balance of these priorities continues to be at the heart of our governance approach.

To understand the performance from the last year and see the progress made against the Police and Crime Plan people can refer to the Performance Section in the Annual Governance Statement of these Accounts and to the Annual Report 2024/25 which is published on the PCC's website

Looking ahead we recognise the ongoing challenges created as we manage the immediate and ongoing demand pressures at the same time as developing and maturing a sustainable and effective operating model. We recognise the opportunities presented from increased resources being invested in neighbourhood policing and from new technologies and systems. We understand the need for these opportunities to be grasped whilst also delivering on the expectations of a new Police and Crime Plan and of a government with a significant agenda for policing. It is clear that delivering these ambitions will need to take place alongside a challenged public spending environment and a significant and ongoing efficiency and savings expectation. Our financial and operational planning is designed to ensure that we continue to deliver this and to do so whilst encouraging broad and effective public engagement, scrutiny and challenge.

The PCC is committed to delivering a safe and secure region in Avon and Somerset, protecting the most vulnerable and ensuring the policing service is efficient, effective, and reflects the wishes and needs of its communities. In a region as diverse as Avon and Somerset, the task of representing all the residents is a considerable challenge, especially at a time of changing demand and continued pressure on all public sector funding. The PCC is committed to listening to the widest possible spectrum of our residents and local businesses and to ensuring their voices are heard when setting policing and funding plans and when strategic changes to the service are considered.

Paul Butler

Chief Finance Officer to the PCC

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Annual Governance Statement

Introduction

Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, cost effective, open and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and lead their communities.

There is a statutory requirement to conduct a review, at least once a year, of the effectiveness of the organisation's governance. This statement gives the results of our yearly assessment of how well we are managing and controlling risks in achieving our aims and meeting the responsibilities that we have by law.

This last year has seen a significant change with Clare Moody elected as the new Police and Crime Commissioner (PCC): taking office on 9 May 2024. The PCC published a new Police and Crime Plan in December 2024.

1 Scope of Responsibilities

The PCC and Office of the Chief Constable (OCC) are responsible for ensuring 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.

In discharging this overall responsibility, the PCC and OCC are responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring that a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. The PCC and OCC have a joint governance framework which is published on the OPCC website at www.avonandsomerset-pcc.gov.uk¹.

This statement covers the group accounts, incorporating governance arrangements of both the PCC and the OCC, and outlines how these ensure appropriate practice in accordance with the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)". Here within, the detailed arrangements are outlined to support the view of the PCC and their Chief Finance Officer (CFO) that the financial management arrangements conform to the governance requirements of the CIPFA statement on the role of the CFO in Local Government published in 2016.

In discharging this overall responsibility, the PCC is responsible for establishing proper arrangements for the governance of its affairs in accordance with the Joint Scheme of Governance, and in so doing the PCC is ensuring a sound system of internal control is maintained throughout the year, including appropriate arrangements for the management of risk.

The PCC and OCC share most core systems of control including the SAP ERP systems, finance function with shared financial controls and the IT, legal and information governance functions. Under the scheme of governance, most of the staff, officers and processes deployed in the systems of internal control are under the direction and control of the OCC.

The PCC has oversight and scrutiny of the OCC's delivery arrangements including governance, risk management and systems of internal control. As a result, the PCC places reliance on the OCC to deliver and support the governance and risk management processes and the framework described

¹ www.avonandsomerset-pcc.gov.uk/reports-publications/policies-procedures/joint-governance-framework/

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in this statement refers to the PCC's own activity and where reliance is placed on the systems, people and processes of the OCC.

The PCC's Chief Finance Officer (CFO) has responsibility for providing advice on all financial matters, maintaining financial records and accounts and ensuring an effective system of financial control is in place. This role (together with the Chief Constable's CFO) conforms to the governance requirements established in the CIPFA statement on the roles of the CFOs for both the PCC and OCC.

2 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 up to the date of approval of the annual Statement of Accounts.

The governance framework enables the PCC and CC to monitor the achievement of their strategic objectives and to consider whether those objectives have led to the delivery of appropriate services which provide value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot, however, eliminate all risk of failure to achieve aims and objectives and therefore only provides reasonable and not absolute assurance of effectiveness.

This statement provides a summary of the extent to which the aspirations set out in the PCC's Code of Corporate Governance are currently being met. This statement has been written to evidence how the CIPFA principles of good governance are being delivered. It is important to note that this group Annual Governance Statement should not be read in isolation but in conjunction with the Annual Governance Statement of the Chief Constable. The Chief Constable's governance is integral to, and underpins, the PCC's system of governance as the vast majority of the PCC's funding is delegated to the Chief Constable and the Constabulary is the primary organisation that will deliver the Police and Crime Plan.

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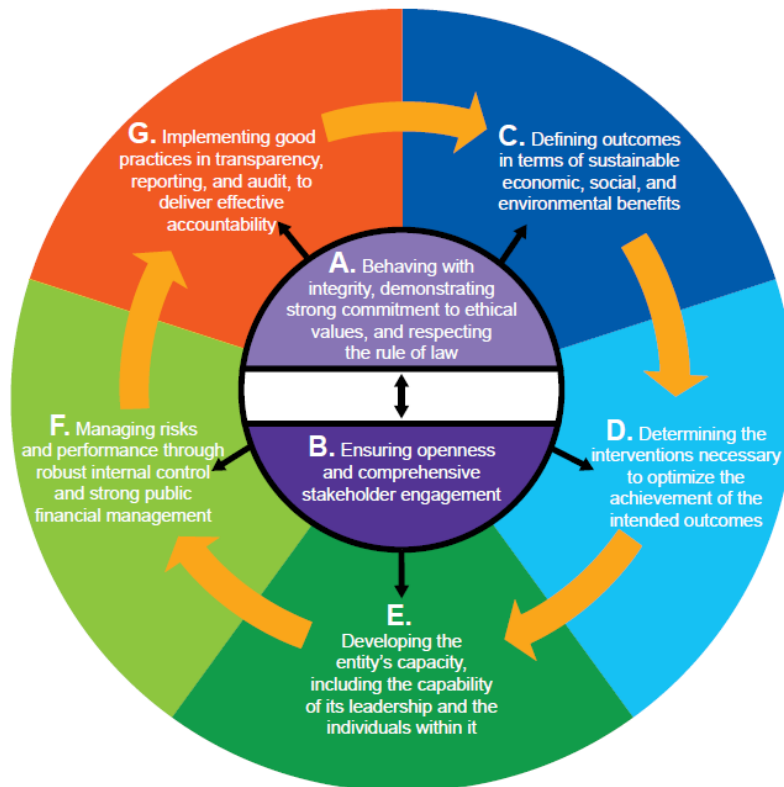


Figure 1 CIPFA principles of good governance

Image sourced from IFAC/CIPFA International Framework: Good Governance in the Public Sector - Executive Summary PDF publication

2.1 Principle A – behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The OPCC has an ethical framework which incorporates the seven Nolan Principles – nationally agreed standards for those in public service – with additional elements of the College of Policing code of ethics. Integrity is a core principle of this framework. The OPCC also has a code of conduct – which builds upon the ethical principles – and is incorporated into staff members' contracts of employment. The code of conduct forms part of the formal induction for new members of staff. In addition to these the OPCC has published policies and procedures covering important and specific areas such as: anti-fraud, bribery and corruption, data protection and freedom of information, equal opportunities and whistleblowing. The OPCC has also defined a set of organisational values which all employees are expected to embody and demonstrate in the way they work

-  Openness
-  Partnership
-  Compassion
-  Courage

The PCC maintains scrutiny of the Constabulary's Professional Standards Department and the Constabulary's complaints process. This scrutiny includes oversight of those complaints that are handled externally by the Independent Office for Police Conduct (IOPC). This has been done

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informally through meetings and updates with or from senior officers as well as a formal quarterly review at the Governance and Scrutiny Board.

The PCC has a legal responsibility for complaint reviews. In the first instance all complaints about the police must be made to the police. If a person makes a low-level service complaint, and at the conclusion of the complaint they are dissatisfied with how it has been handled, they can request a PCC review. During 2024/25 the OPCC dealt with 148 complaint reviews of which 14% were upheld.

Another important system of redress, that the PCC has responsibility for, relates to police officer misconduct. New national regulations took effect from May 2024: among other things this meant changing the composition of the panels. The panels now consist of a two Independent Panel Members (IPMs), are chaired by a Chief Officer and advised by a Legally Qualified Person (LQP). The OPCC ran a significant recruitment for the IPMs and LQPs and also organised training for the whole South West region.

Where an officer is subject to a misconduct hearing and is dissatisfied with the result they can appeal. This appeals process is known as a Police Appeal Tribunal and is coordinated by the OPCC. During 2024/25 there were no appeals.

2.2 Principle B – ensuring openness and comprehensive stakeholder engagement

The PCC is elected to be the ‘voice of the people’ in overseeing the delivery of their police service. The PCC has a statutory duty to secure an efficient and effective police service for their area. Therefore, the two most important stakeholders are the public and the Constabulary. Since taking office the PCC has ensured a strong focus on engagement with both these groups of stakeholders.

2.1.1 Public

Understanding the views of the public is of particular importance when developing the Police and Crime Plan and when deciding if, and by how much, to raise the Council Tax Precept. In 2024 the PCC’s consultation on the Police and Crime Plan involved an online survey, public forums focus groups and direct stakeholder engagement. There were 1,111 respondents providing nearly 5,000 free text responses. The online survey also asked people’s opinions about the precept and this aspect was open for an additional length of time and gathered 3,146 opinions to inform the PCC’s decision.

The PCC has external engagement days on Fridays and in addition to this has various ad hoc public engagements. The PCC has already planned another series of forums for 2025.




The PCC has a social media footprint and often communicates with and through other national and local media such as television, radio and newspapers: the PCC has regular pieces in both local papers and on local radio. The PCC has a phone line and e-mail which are available for anybody to make contact and every contact is listened to. The PCC has a website, separate from the Constabulary, through which many key documents and updates can be accessed by the public.

The PCC also conducts a Local Police and Crime Survey: a survey of 3,000 local residents a year which reports quarterly. It is used to understand public sentiment about the PCC and police as well as asking about issues important to the community and views on precept funding.

The PCC has a number of independent panels to scrutinise the performance of the Constabulary and provide feedback and learning. The panels assess cases/incidents based on all the information available including body worn video footage. The selection of cases is usually random to ensure independence. However, the choice of case or incident to review can also be informed by particular themes or resulting from specific points of public interest or issues of public confidence. The panels

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issue reports to the PCC and Chief Constable and are published on the PCC's website. The panels are described below

-  **Independent Scrutiny of Police Complaints Panel** – volunteers from the communities of Avon and Somerset come together with the PCC's office in order to examine complaints made against the Constabulary. In the financial year 2024/25 the panel met quarterly as planned in June, September, December 2024 and March 2025.
-  **Independent Scrutiny of Police Powers Panel** – volunteers from the communities of Avon and Somerset come together with the PCC's office to examine the use of stop and search, use of force including Taser and the use of body worn video. In the financial year 2024/25 the panel met quarterly as planned in June, September, December 2024 and March 2025.
-  **Out of Court Resolutions Scrutiny Panel** – Out of court disposals are a means of resolving an investigation without prosecution through the courts. This panel brings together professionals from numerous criminal justice agencies and victims services who review the use of out of court disposals. In the financial year 2024/25 the panel met quarterly as planned in June, September, December 2024 and March 2025.

During this last year the OPCC have supported the development of the Tackling Disproportionality Independent Scrutiny Board². This is a group of community members brought together to oversee how the police and criminal justice agencies are tackling racial disproportionality.

2.2.2 Constabulary

There continues to be a good, open relationship between the OPCC and the Constabulary. This is facilitated through informal working relationships and formal governance structures. The Constabulary extends an open invite to their meetings and during the last year the OPCC have continued to attend key meetings such as Strategic Planning Meetings, the Constabulary Management Board and the Committees which sit under this. The Constabulary have also maintained their attendance at the PCC's weekly SLT meeting.

Both organisations continue to work closely together on budgets and managing these. This is evident in the way in which forward financial planning is undertaken, and through the management of in-year financial performance. In the last year the organisations worked together to improve financial forecasting and deliver more consistent reporting.

2.2.3 Partners and Other Local Stakeholders

The PCC meets with other elected officials across Avon and Somerset including Councillors and MPs. The PCC and Chief of Staff meet with the Local Authority leaders and CEOs from across Avon and Somerset.

As part of the Friday engagement day the PCC regularly visits other partner agencies and services, from various sectors.

The OPCC continue to represent the PCC at Community Safety Partnerships (CSP) meetings across each of the Local Authority areas engaging with numerous key stakeholders. The PCC also provides a Police and Crime Grant to CSPs (through the local authorities) which is used to achieve joint outcomes.

² <https://www.avonandsomerset-pcc.gov.uk/working-for-you/tackling-racial-disproportionality/>

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The PCC Chairs the Local Criminal Justice Board in order to engage with partners such as CPS, courts and probation. The PCC also supports partnership working through the Avon & Somerset Reducing Reoffending Board and the five Combatting Drugs Partnerships.

The CFO chairs a Business Crime Forum for the Avon and Somerset area on a quarterly basis and the OPCC have continued to regularly attend the Rural Crime Forum.

Violence Reduction Partnerships discussed below are a further example of key stakeholder engagement.

2.2.4 Regional Representation

There are a number of significant regional collaborations, including the Regional Organised Crime Unit (ROCU), Counter Terrorism Policing, Forensics, Major Crime Investigation Teams, firearms training and the South West Police Procurement Service.

As well as collaboration boards, the PCC and Chief Constable meet regularly with the other four regional PCCs and Chief Constables in the South West of England to seek ways to enhance regional cooperation and collaboration. This regional meeting is also undertaken at a PCC CEO/Chief of Staff level.

The South West PCCs (and forces) have continued to collaborate on Operation Scorpion which tackles drug crimes.

In order to support PCC oversight of existing and potential collaborations the PCCs employ a Regional Collaboration Advisor.

2.2.5 National Representation

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). Through membership of this association, access is gained to various national agencies and groups. Within the APCC the PCC is the joint lead for two portfolios: Victims and Prevention and Children & Young People. In addition the OPCC are part of the Association of Policing and Crime Chief Executives (APACCE) network shares information and best practice. The CFO is a member of the Police and Crime Commissioners Treasurer Society (PACCTS), a national network for CFOs.

The OPCC have regularly taken part in and engaged with various national forums on topics such as victims and victims' services including meetings held with the Ministry of Justice and Victims' Commissioner.

2.3 Principle C – defining outcomes in terms of sustainable economic, social and environmental benefits

The priorities and strategic objectives are set out in the new Avon & Somerset Police and Crime Plan 2024-29. This was developed with significant consultation as discussed above.

- | | |
|-------------------|--|
| Priority 1 | Strengthen neighbourhood policing to provide a visible police presence, engage with communities, and tackle ASB. |
| Priority 2 | Reduce violent crime, with a specific focus on (a) male violence against women and girls and (b) serious youth violence. |
| Priority 3 | Prevent crime by working together with other organisations and the public to build safer communities. |

























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Priority 4 Support victims to ensure they get the help they need when they need it.

Priority 5 Improve standards of policing so that people receive a fair and effective service.


The full plan can be accessed on the website at www.avonandsomerset-pcc.gov.uk.³

Outcomes defined in the Police and Crime Plan are:

-  Reduce crime and harm
-  More confident communities
-  Safer places
-  Greater satisfaction with the service provided by the police.
-  More visible policing patrols.
-  Fewer incidents of ASB.
-  Victims of ASB receiving a better service from the police and partners.
-  More trust and confidence in the police, especially among women and girls and children.
-  Reduction in the carrying and use of knives to commit crime.
-  Better protection of children and vulnerable adults from criminal exploitation.
-  A night-time economy which is safer for people to enjoy.
-  A reduction in misogyny within the policing culture.
-  Quicker investigations and more positive outcomes for violent crime.
-  Less reoffending.
-  Reduction of harm caused to and by users of illegal drugs.
-  Improved life chances, especially for children, that make communities safer.
-  Fewer traffic collisions – especially those that result in death and serious injury.
-  Earlier identification and support to vulnerable individuals and families
-  Reduce disproportionality in the criminal justice system.
-  Increased victim satisfaction with the police and criminal justice system.
-  More trust and confidence in the police.
-  Greater satisfaction with the service provided by the police.
-  Improved morale and wellbeing of the police workforce.
-  A police service that is equitable for all people.

³ <https://www.avonandsomerset-pcc.gov.uk/wp-content/uploads/2024/12/AS-Police-Crime-Plan-2024-2029-09DEC24-1.pdf>

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-  An inclusive police workforce that is representative of the communities it serves and where all employees are treated fairly.

2.4 Principle D – determining the interventions necessary to optimise the achievement of the intended outcomes

About 98% of the funding that the PCC receives is delegated to the Chief Constable to manage. Of the remaining budget, directly controlled by the PCC, a significant amount is used to commission victim support services from third party organisations. These services operate through a grant agreement following a competitive commissioning process. Over the last year the tendering/procurement process for commissioned victim support services was finalised and the new service contracts commenced on 1 April 2025.

As mentioned above, the PCC also provides Police and Crime Grants to the five CSPs across Avon and Somerset; the total overall grant in the last year was approximately £740,000. The application of this grant is overseen by the OPCC and the grant was used on services which help deliver against the Police and Crime Plan.

Since 2019/20 the OPCC has successfully secured Home Office funding for Violence Reduction Units (VRUs); known locally as Violence Reduction Partnerships (VRP). Additional funding has also been provided from the Home Office as part of the Serious Violence Duty.

Avon and Somerset operate a hub and spoke approach to their VRP. Funding is provided to each of the five CSP areas (the spokes) that are the operational delivery of this work. The spokes are supported by a central 'hub' team who are employed within the OPCC. The Serious Violence Reduction Partnership Board provides the strategic direction and governance of this work. This board includes senior representatives from relevant partnership organisations and is chaired by the PCC. A separate VRP Annual Report is published which can be accessed on their website at <https://asvrp.co.uk>⁴.

PCCs have a statutory duty to deliver an Independent Custody Visitors (ICV) Scheme. This scheme involves volunteers from the community visiting police centres to check on the welfare of detainees in custody, the conditions in which they are held and that their rights and entitlements are being observed. Beyond being a statutory duty this scheme is a critical part in ensuring all detainees are treated fairly and respectfully and receive the best possible policing service. This scheme delivers openness and accountability because the ICVs are members of the public. A separate annual report is published on the PCC's website www.avonandsomerset-pcc.gov.uk⁵.

In February 2022 *Identifying Disproportionality in the Avon and Somerset Criminal Justice System*⁶ was published. This report contains recommendations for different agencies across the various workstreams. The Local Criminal Justice Board established a sub-group to oversee this work – the Tackling Disproportionality Steering Committee – which is co-chaired by the Chief Constable and an independent resident stakeholder. In the last year it was agreed that a broader approach was needed than just trying to complete the report recommendations and an anti-racist action plan is being developed. This programme of work is also overseen by the Tackling Racial Disproportionality Independent Scrutiny Board (ISB). This work is incorporated into the new Police & Crime Plan Priority 3.

⁴ <https://asvrp.co.uk/information-advice/reports-and-toolkits/>

⁵ www.avonandsomerset-pcc.gov.uk/reports-publications/independent-custody-visiting-schemes-annual-reports/

⁶ www.avonandsomerset-pcc.gov.uk/wp-content/uploads/2022/01/Identifying-Disproportionality-Report.pdf

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2.5 Principle E – developing the entity’s capacity, including the capability of its leadership and the individuals within it

The focus on staff performance and development has continued: the induction process has been enhanced with Health & Safety guidance and Returning Parents induction guidance. Training and development is promoted through the Personal Development Review process and 1:1s with line managers and through the OPCC Learning and Development Plan. Bitesize training was run in-house between January and May 2024 and focussed on the gaps highlighted in the training needs analysis work. Topics included inclusion skills, interview skills, effective 1:1s, Absence management, Disciplinary procedures and handling difficult conversations. These training sessions were available to the whole team including line managers.

Upstander training was also provided to the whole team in March and April 2025. This training supports the updated OPCC sexual harassment, bullying and victimisation policy and in line with the new legislation that came into force in October 2024 with a duty on employers to take reasonable steps to prevent sexual harassment in the workplace.

The OPCC are working on office system improvements to support creating team capacity. The online applicant tracking system has continued to effectively support OPCC recruitment and has streamlined the recruitment and hiring process. This process has also improved the candidate experience. The OPCC moved to SharePoint in March 2025, a new file management tool and work continues to move the OPCC HR, Recruitment and Finance functions onto a new cloud-based Oracle ERP system. The new system will be modern and have a more intuitive user interface and ways of working and the OPCC will use this system to help automate processes.

The team has supported a new PCC following the election in May 2024. It is anticipated that the OPCC structure will be reviewed to align to the new PCC priorities.

2.6 Principle F – managing risks and performance through robust internal control and strong public financial management

The Governance and Scrutiny Board is the most senior decision-making body in the joint PCC-Chief Constable governance structure. This is where high-level decisions are signed off in line with the joint governance framework, as well as a key element in the PCC’s formal arrangements for holding to account of the Chief Constable. This has standing agenda items for finance, projects, performance, assurance and for both organisations to bring forward risks and issues for discussions and questions which formed an important part of the risk management process. Over the last year this meeting has continued to operate successfully with meetings held every month with relevant papers included, minutes and actions taken and responded to and followed up. The minutes continued to be published on the PCC website www.avonandsomerset-pcc.gov.uk⁷.

2.6.1 Risk Management

Risk is maintained under constant review and is summarised in the Strategic Risk Register of the PCC and the Constabulary’s Corporate Risk Reports. The OPCC register is formally reviewed, internally, at the OPCC Management Board. Both registers/reports are also scrutinised by the Joint Audit Committee (JAC) (see 2.7.2 below).

When the OPCC are considering and assessing risk, it takes account of the Constabulary view of risk, particularly as articulated in the Constabulary’s Corporate Risk Reports. This does not mean risks will always be viewed the same by both organisations as their remits are different.

⁷ www.avonandsomerset-pcc.gov.uk/reports-publications/police-crime-board-reports/

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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 PCC's overall 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 maximize the use of the PCC's assets and limited resources to best achieve the PCC's objectives and targets.

Over the last year the key financial reporting to, and scrutiny at, GSB has continued as part of the risk management process. This includes quarterly and year-end financial performance reports; annual accounts; treasury management annual report and strategy; and the five year Medium Term Financial Plan (MTFP).

2.6.2 Performance

The OPCC have continued to publish a quarterly performance report which covers the national policing priorities. This report is scrutinised by the Police and Crime Panel.

One of the other key mechanisms of performance oversight is the Constabulary's Integrated Performance Quality Framework. Reporting on this framework is structured around the Constabulary's strategic outcomes, where improvements are needed, PEEL Areas for Improvement and PEEL themes. The report has continued to be discussed at the Constabulary Management Board (CMB) and also scrutinised at GSB throughout the last year.

Another of the most powerful tools in performance management in Avon and Somerset are our data analytics and data visualisation capabilities. These have been deployed throughout the Constabulary, opening up access to data and providing a tool to drive performance improvements. The OPCC has access to this tool, providing live time data which supports the PCC's ability to scrutinise and hold the Chief Constable to account.

In terms of financial performance, as can be seen in these group accounts, there was net expenditure of £390.5m, compared to a budget of £391.1m: resulting in an underlying underspend of £0.6m/0.2%. After year-end accounting adjustments for provisions and carry forwards, an overspend of £2.3m/0.6% remains. A transfer from revenue smoothing reserve will result in break-even revenue position for the 2024/25 financial year.

The current MTFP shows the first year is balanced but the deficits in years 2-5 are £3.9million, £5.0 million, £8.3 million and £10.6 million respectively.

The forecast deficits will require further significant savings to be delivered. This will be challenging, and by necessity need to focus on those areas of our budget where we retain discretion, including sizeable police staff headcount reductions.

Police & Crime Plan Key Performance Indicators

The new performance framework has not been finalised at the time of writing. As an interim position, and for consistency, the below table contains KPIs used in last year's statement – where they are still relevant to the current Plan – and realigned to the new priorities. There are a small number of additional measures where there were clear gaps or data that was evidently relevant.

Measure	2023/24	2024/25	Change
Overarching measures			
All recorded crime	150,593	168,294	17,701
Public confidence (from local survey)	63.0%	62.2%	-0.8%
Public confidence (from national survey)*	65.6%	67.7%	2.1%

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Measure	2023/24	2024/25	Change
Public feelings of safety during the day	96.1%	96.4%	0.3%
Public feelings of safety after dark	71.4%	70.7%	-0.8%
Priority 1 – Strengthen neighbourhood policing			
Public who have seen a police officer / PCSO in the last month	51.0%	46.4%	-4.6%
Public that feel informed on local policing	29.2%	30.9%	1.8%
Public who are aware of opportunities to have their say on local policing	24.1%	28.2%	4.1%
ASB incidents	73,061	75,418	2,357
Victim satisfaction – ASB	74.4%	72.8%	-1.6%
Hate crime recorded crime	4,951	5,879	928
Hate crime positive outcome rate	14.0%	13.3%	-0.7%
Priority 2 – Reduce violent crime			
DA recorded crime	23,069	25,136	2,067
DA positive outcome rate	9.1%	8.4%	-0.7%
Sexual offences recorded crime	6,153	7,684	1,531
Sexual offences positive outcome rate	9.9%	9.2%	-0.7%
Stalking & harassment recorded crime	12,724	18,414	5,690
Stalking & harassment positive outcome rate	6.2%	5.8%	-0.4%
Serious youth violence recorded crime	1,754	1,764	10
Serious youth violence positive outcome rate	18.6%	16.5%	-2.1%
Robbery – personal recorded crime	1,460	1,397	-63
Robbery – personal positive outcome rate	7.0%	7.5%	0.5%
Priority 3 – Prevent crime			
Reoffending rate*	24.9%	27.0%	2.1%
Drug trafficking recorded crime	497	554	57
Drug trafficking positive outcome rate	71.7%	54.5%	-17.3%
Drug disruptions	317	116	-201
Rural crime recorded crime	550	620	70
Rural crime positive outcome rate	4.7%	4.6%	-0.1%
Road traffic collisions resulting in death or serious injury	440	426	-14
Priority 4 – Support victims			
Victim satisfaction – overall	68.2%	68.0%	-0.2%
Victim satisfaction – burglary	58.6%	64.1%	5.5%
Victim satisfaction – hate crime	68.7%	72.2%	3.5%
Victim satisfaction – violent crime	68.2%	65.2%	-3.1%
Priority 5 – Improve standards of policing			
999 calls answered within 10 seconds	81.1%	90.0%	8.9%
101 abandonment rate	11.7%	8.0%	-3.7%
Immediate response timeliness	77.4%	80.2%	2.8%

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Measure	2023/24	2024/25	Change
Priority response timeliness	56.1%	58.0%	1.9%
Routine response timeliness	75.5%	58.2%	-17.2%
All positive outcome rate	11.2%	10.4%	-0.8%
Burglary – residential recorded crime	4,170	4,573	403
Burglary – residential positive outcome rate	5.3%	5.0%	-0.3%
Vehicle offences recorded crime	9,768	10,181	413
Vehicle offences positive outcome rate	2.5%	3.0%	0.5%
Theft from the person recorded crime	922	765	-157
Theft from the person positive outcome rate	1.9%	0.8%	-1.1%
Employee engagement	58.2%	55.5%	-2.7%
Overall, I am happy at work	65.5%	62.4%	-3.1%
My Manager theme score	67.4%	66.9%	-0.5%
I have the tools I need to do my job effectively	59.6%	60.6%	1.0%
I have the skills I need to do my job effectively	75.5%	76.8%	1.3%
I think ASP respects individual differences	68.8%	65.4%	-3.4%
Disproportionality of stop and search – Asian	1.4	1.4	0.0
Disproportionality of stop and search – Black	6.8	6.9	0.1
Disproportionality of stop and search – Mixed	3.2	3.0	-0.2
Disproportionality of stop and search – Other	2.7	3.2	0.5
Disproportionality of stop and search – BAME	3.3	3.3	0.0
Disproportionality of use of force – Asian	0.6	0.8	0.2
Disproportionality of use of force – Black	4.3	4.4	0.1
Disproportionality of use of force – Mixed	1.2	1.5	0.3
Disproportionality of use of force – Other	0.9	1.3	0.4
Disproportionality of use of force – BAME	1.7	1.9	0.2
% of workforce that are Asian	0.90%	0.88%	-0.02%
% of workforce that are Black	0.64%	0.66%	0.02%
% of workforce that are Mixed	1.96%	1.90%	-0.06%
% of workforce that are Other	0.25%	0.26%	0.02%
% of workforce that are BAME	3.75%	3.70%	-0.05%
% of Senior Officers that are BAME	5.19%	5.19%	0.00%
Schedule 3 allegations upheld	14.8%	11.8%	-3.0%

* Latest available national data and the year preceding that

Police & Crime Plan Key Performance Indicators Definitions

Overarching measures
Public confidence (local) – measured by the Avon & Somerset Police & Crime Survey, a quarterly telephone survey of 750 residents (3000 a year). This shows the percentage of people who said they “tend to agree” or “strongly agree” when asked if they “have confidence in the police in this area”.

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Public confidence (national) – measured by the Crime Survey for England and Wales – the latest data available is for the calendar year 2024: this included 531 responses from residents of Avon and Somerset.
Public feelings of safety – measured by the Avon & Somerset Police & Crime Survey. This shows the percentage of people who answered “fairly safe” or “very safe” when asked “how safe do you feel in your local area?”
Priority 1 – Strengthen neighbourhood policing
Officer/PCSO visibility – is measured by the Avon & Somerset Police & Crime Survey. This shows the percentage of people who answered "today / yesterday", "in the last seven days" or "in the last month" when asked “when did you last see a police officer or a police community support officer in your local area?”
Public that feel informed on local policing – measured by the Avon & Somerset Police & Crime Survey. This shows the percentage of people who answered “fairly well informed” or “very well informed” when asked “how well informed do you feel about what the police are doing to tackle crime and anti-social behaviour in your area?”
Public who are aware of opportunities to have their say on local policing – is measured by the Avon & Somerset Police & Crime Survey. This shows the percentage of people who answered “yes” when asked “Are you aware of opportunities to have your say about policing issues in your local area?”
Hate crime – is a crime where the offender has either demonstrated or been motivated by hostility based on a person’s race, religion, disability, sexual orientation or transgender identity.
Priority 2 – Reduce violent crime
Domestic abuse – is where a person is abusive towards another person, they are personally connected and are 16 years of age or older.
Serious youth violence – offences that result in the death of a person, endanger life, wounding offences, robbery of personal property and possession of a bladed article; and where either the offender or the victim are under 25 years of age.
Priority 3 – Prevent crime
Reoffending rate – Ministry of Justice data showing proven reoffending figures for offenders who were released from custody, received a non-custodial conviction at court, or received a caution or reprimand.
Drug trafficking – these are drug offences, other than simple possession offences, such as drug supply.
Drug disruptions – an activity to counter a threat of serious and organised crime, related to drugs, and it has a tangible result. This could include seizing criminal assets, arresting somebody or safeguarding people who are vulnerable to exploitation by organised criminals.
Rural crime – any crime occurring in a rural area which directly or indirectly affects a farming or rural business or the rural communities. Rural means a close association with or dependence upon the land within that location.
Priority 4 – Support victims
Victim satisfaction – is measured by a local telephone survey of a sample of victims of ASB, burglary, hate crime and violent crime. In 2024/25 there were 1,025 total respondents. This shows the percentage of victims that said they were satisfied with their “whole experience”.
Priority 5 – Improve standards of policing

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101 abandonment rate – this is the proportion of 101 calls were the call hung-up before being answered by Avon and Somerset Police. This is an average rate of both the switchboard line and the secondary line when a person is transferred to a call handler.
<p>Response timeliness – calls to the police are graded based on threat harm and risk. There is a service level agreement (SLA) for each grade which states how long attendance should take (below). It is important to note that the SLAs are defined by Avon and Somerset Police, not mandatory. Timeliness is reported as the percentage of those incidents that were attended within the particular SLA.</p> <ul style="list-style-type: none"> • Immediate – 15 minutes for urban areas and 20 minutes for rural areas • Priority – 1 hour • Routine – 12 hours
Positive outcomes – are counted as Home Office defined outcomes 1-8 and 22 which are: charge/summons, cautions/conditional cautions for youths or adults, offences taken into consideration, the offender has died, penalty notice for disorder (PND), cannabis/khat warning, community resolution or diversionary, educational or intervention activity. The rate is the percentage of all outcomes which are positive.
Vehicle offences – involve theft of or from vehicles
Employee engagement and the six measures below this – are measured through the annual Avon and Somerset Police workforce survey. This shows the percentage of the workforce who agree with each statement.
Disproportionality – shows the rate at which a police power is used, when comparing people of the specified ethnicity to people who are White. A disproportionality of 2 would mean people of that ethnicity had the power used against them at twice the rate of White people.
BAME – this is the total of the four ethnic minority groups: Asian, Black, Mixed and Other
Senior officers – are those officers of Chief Inspector rank or above.
Schedule 3 allegations upheld – when complaints are made to the police the more serious complaints are classed as Schedule 3. A single complaint may contain a number of different allegations e.g. if it was about several officers. Each allegation is assigned an outcome and this shows the percentage where the outcome was either “the service provided was not acceptable” or there was a “case to answer”.

2.7 Principle G – implementing good practices in transparency, reporting, and audit to deliver effective accountability

Police Question Time (PQT) is a monthly meeting, lasting approximately half an hour, where the PCC puts questions about the performance of Avon and Somerset Police to the Chief Constable. The meetings are broadcast live, through Facebook, and the recordings are also kept on the PCC’s website www.avonandsomerset-pcc.gov.uk⁸.

Both the Constabulary and the OPCC adhere to the use of Government Security Classification (GSC) markings. In doing so, we are able to determine those documents which can be published through the PCC's website so that they are visible to the public.

Items which are published include

- ✚ Significant decisions of the PCC
- ✚ PCC responses to HMICFRS recommendations
- ✚ Reports of scrutiny panels

⁸ www.avonandsomerset-pcc.gov.uk/reports-publications/police-question-time/

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- ✚ Performance reports
- ✚ Expenses and gifts
- ✚ Freedom of Information requests; other statutory and non-statutory reports
- ✚ The Strategic Risk Register
- ✚ Quarterly Performance Reports

2.7.1 Internal Audit

The Internal Audit function is commissioned by the OPCC and OCC on behalf of the Joint Audit Committee and is undertaken by a third party auditor for additional independence. The South West Audit Partnership (SWAP) continued as the internal auditor. At the time of writing SWAP have completed the revised audit schedule: two audits were deferred to 2024/25.

2.7.2 Joint Audit Committee (JAC)

The independent JAC has concluded another year of work in accordance with their Terms of Reference (TOR) and publishes an annual report on their work which can be found on the website www.avonandsomerset-pcc.gov.uk⁹. The four meetings of the JAC for the financial year took place in June, September and December 2024 as well as March 2025.

2.7.3 Police and Crime Panel

The Police and Crime Panel were established as part of the statutory governance structure when the role of PCCs were introduced. The Panel consists of elected Local Authority members from across Avon and Somerset as well as members of the public. The Panel scrutinises, challenges and maintains a regular check and balance on the performance and activities of the PCC. The Panel are therefore a key stakeholder of the PCC and OPCC.

In the last year the Panel has continued to meet, on at least a quarterly basis, to fulfil its duties. In addition to this it has again scrutinised the new Police & Crime Plan and the PCC's proposed precept increase.

3 Review of Effectiveness

The PCC has responsibility for conducting, at least annually, a review of the system of internal control. This review is informed by the internal audit assurance, the opinions and reports of our external auditors and other inspection bodies, as well as the work of senior managers in both the OPCC and Constabulary who have responsibility for the development and maintenance of the governance environment.

For 2024/25 these considerations took account of

- ✚ HMICFRS PEEL Report (see below)
- ✚ the internal auditor's reports to the Joint Audit Committee (JAC) throughout the year and their annual report to JAC
- ✚ external auditors' reports at JAC meetings
- ✚ the Constabulary Strategic Risk Register

⁹ www.avonandsomerset-pcc.gov.uk/reports-publications/joint-audit-committee-reports/

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- ✚ the PCC's Strategic Risk Register
- ✚ the 2024/25 financial outturn position that delivered a balanced position
- ✚ the planning and development of the MTFP for the next five years

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Avon and Somerset PCC has in place satisfactory and adequate systems of internal control which facilitate the effective exercise of their functions and which include arrangements for good governance and risk management.

A review of the Joint Governance Framework is ongoing, and is now being informed by guidance and best practice from a national level.

3.1 Internal Audit

Throughout 2024/25 the Internal Audit function completed 10 substantive audits, 3 advisory/ follow-up audits as well as contributing towards regional work. The 10 substantive audits were:

- ✚ Ammunition and Armory Management
- ✚ Criminal Justice
- ✚ OPCC Statutory Functions
- ✚ Corporate Credit Cards
- ✚ Information Governance
- ✚ Culture with Specialist Teams
- ✚ User Access Management
- ✚ Business Continuity – Civil Contingencies Act
- ✚ Treasury Management
- ✚ ERP Programme Management

Each internal audit conducted throughout the year receives a graded assurance opinion from the auditors. The assurance levels are; none, limited, reasonable and substantial. Six of the audits resulted in a reasonable assurance opinion and four resulted in a limited assurance opinion. The conclusion of our internal auditors was that they were able to offer a **reasonable assurance** annual opinion.

Each of the audits also provides recommendations for improvement which are categorised into three priority categories reflecting their importance. In total our internal auditors made 29 recommendations during 2024/25, of which:

- ✚ 10 were identified as findings that require attention, the lowest grading (priority 3)
- ✚ 19 were identified as findings that are important and require the attention of management, the middle grading (priority 2)
- ✚ None were identified as findings that were fundamental requiring immediate attention (priority 1).

The auditors did identify one significant corporate risk in relation to Ammunition and Armory Management; a number of actions were agreed included two that had already been completed by the time the report was written.

Whilst we take assurance from the fact that none of the findings is considered to be fundamental, we recognise that the recommendations from our internal auditors provide us with a number of important actions which we need to progress.

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3.2 HMICFRS PEEL Inspection

The primary framework by which police forces are inspected by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) is called 'Police Efficiency, Effectiveness and Legitimacy' (PEEL). Avon and Somerset Police were inspected in 2024 with the report published in February 2025. All forces are inspected using this consistent methodology and – although no overall grade is given – the outcome is graded assessments for different aspects of the force's service

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Police powers and public treatment	Developing a positive workplace	Responding to the public	
	Preventing crime		Investigating crime	
			Protecting vulnerable people	
			Managing offenders	
			Leadership and force management	

The HMICFRS Integrated PEEL Assessment is one of the most important sources of assurance for both the PCC and OCC, in both the delivery of the Police and Crime Plan and the realisation of the Constabulary's vision.

The Assessment identified Areas for Improvement in the areas set out above and also included other commentary on the Constabulary's performance. The Constabulary have started responding to the findings of the report and the PCC has oversight of through the Governance and Scrutiny Board.

3.3 Significant Risks

At the point of writing the most significant risks identified by the OPCC are

Risk	Progress
Failure to deliver the Police and Crime Plan (SR2)	A significant risk to policing remains the lower levels of public confidence in the police; this applies in Avon and Somerset and across England and Wales. This has been a risk for a number of years. This undermines the British model of policing by consent. The underlying causes are complex and include dissatisfaction with service levels in a context of increasing and changing demand on the police, perceived lack of police visibility as well as concern over police misconduct, male violence against women and girls and disproportionality, particularly experienced by Black, Asian, Mixed and minoritised communities. These are not new issues but a spotlight has been shone on them and the negative media coverage has grown in recent years. Although some action has been taken to address these, the public are unlikely to have seen or felt a

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Risk	Progress
	<p>tangible change in the level of service they receive or the outcomes. Cultural change is required to address these institutional issues and this will likely take years.</p> <p>While the new Police and Crime Plan is more focused it is still an ambitious plan with prevention being a key focus. Prevention cannot be achieved in isolation by the police, and requires partnership working.</p> <p>The savings required over the medium term will mean significant reductions in the overtime budget as cuts to police staff posts. This will likely impact the Constabulary's ability to be able to deliver against the Plan.</p>
Financial incapability or ineffectiveness (SR3)	The current MTFP shows the first year is balanced but the deficits in years 2-5 are £3.9million, £5.0 million, £8.3 million and £10.6 million respectively.

4 Conclusion

No system of internal control can provide absolute assurance. However, on the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Avon and Somerset PCC has in place satisfactory and adequate systems of internal control which facilitate the effective exercise of their functions and which include arrangements for good governance and for the control, mitigation, and management of risk.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that our internal governance processes will identify any improvements that are needed and that appropriate steps will be taken to enhance our governance and improve our assurance.

Clare Moody

Police and Crime Commissioner

Paul Butler

Chief Finance Officer to PCC

Alice Ripley

Chief of Staff to the PCC

Police & Crime Commissioner for Avon & Somerset

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

Gross Expenditure £'000	Gross Income £'000	Total 2023/2024 £'000	Comprehensive Income and Expenditure Statement - Group	Gross Expenditure £'000	Gross Income £'000	Total 2024/2025 £'000
Expenditure						
487,582	-67,874	419,708	Police Services - OCC	507,419	-80,445	426,974
2,513	-27	2,486	OPCC	2,612	-51	2,561
8,832	-6,148	2,684	Commissioning costs	9,408	-7,587	1,821
498,927	-74,049	424,878	Net cost of police services	519,439	-88,083	431,356
		-58,607	Police pension top-up grant			-56,729
		-4,119	Gain on disposal of non-current assets			-191
		-62,726	Other operating expenditure			-56,920
		5,765	Interest payable and similar charges			5,593
		-3,860	Interest and investment income			-4,465
		-152	Income and expenditure in relation to investment properties			-165
		-13	Changes in the market value of investment properties			168
		121,500	Net interest on pensions			125,830
		123,240	Financial and investment income and expenditure			126,961
		-129,508	Police - revenue grant			-139,874
		-67,877	Ex-DCLG formula funding			-69,272
		-48	Capital grant and contributions			-459
		-3,331	Council tax top-up grant			-3,331
		-11,378	Council tax support and transition grant			-11,378
		-157,233	Council tax - local authorities			-167,797
		0	Donated Asset Fair Value Gain/Loss			46
		-369,375	Taxation and non-specific grant income			-392,065
		116,017	Deficit on provision of services			109,332
		-117,909	Re-measurement of pension assets and liabilities			-269,704
		-8,851	Gain on revaluation			-7,296
		-126,760	Other comprehensive income and expenditure			-277,000
		-10,743	Total comprehensive income and expenditure			-167,668

Police & Crime Commissioner for Avon & Somerset

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

PCC Expenditure £'000	PCC Income £'000	Total 2023/2024 £'000	Comprehensive Income and Expenditure Statement - PCC	PCC Expenditure £'000	PCC Income £'000	Total 2024/2025 £'000
Expenditure						
2,513	-27	2,486	OPCC	2,612	-51	2,561
8,832	-6,148	2,684	Commissioning costs	9,408	-7,587	1,821
11,345	-6,175	5,170	Net cost of police services before funding	12,020	-7,638	4,382
487,582	-67,874	419,708	Intragroup funding adjustment	507,419	-80,445	426,974
498,927	-74,049	424,878	Net cost of police services	519,439	-88,083	431,356
		-58,607	Police pension top-up grant			-56,729
		-4,119	Gain on disposal of non-current assets			-191
		-62,726	Other operating expenditure			-56,920
		5,765	Interest payable and similar charges			5,593
		-3,860	Interest and investment income			-4,465
		-152	Income and expenditure in relation to investment properties			-165
		-13	Changes in the market value of investment properties			168
		121,500	Intragroup adjustment (pension interest cost)			125,830
		123,240	Financial and investment income and expenditure			126,961
		-129,508	Police - revenue grant			-139,874
		-67,877	Ex-DCLG formula funding			-69,272
		-48	Capital grant and contributions			-459
		-3,331	Council tax freeze grant			-3,331
		-11,378	Council tax support and transition grant			-11,378
		-157,233	Council tax - local authorities			-167,797
		0	Donated Asset Fair Value Gain/Loss			46
		-369,375	Taxation and non-specific grant income			-392,065
		116,017	Deficit on provision of services			109,332
		-117,909	Intragroup adjustment (Re-measurement of pension assets and liabilities)			-269,704
		-8,851	Gain on revaluation			-7,296
		-126,760	Other comprehensive income and expenditure			-277,000
		-10,743	Total comprehensive income and expenditure			-167,668

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Group Movement in Reserves Statements 2023/2024 and 2024/2025

Movement in reserves statement 2024/2025					
	Revenue General Fund £'000	Capital Receipts £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2024	47,147	12,697	59,844	-2,510,806	-2,450,962
Impact of adoption of IFRS16	397		397		
Total comprehensive income and expenditure	-109,332	0	-109,332	277,000	167,668
Adjustments between accounting & funding basis under regulations	102,927	0	102,927	-102,927	0
Increase/decrease(-) in 2024/2025	-6,008	0	-6,008	174,073	168,065
Balance as at 31 March 2025	41,139	12,697	53,836	-2,336,733	-2,282,897

Movement in reserves statement 2023/2024					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	2,461,705
Total comprehensive income and expenditure	-116,017	0	116,017	126,760	10,743
Adjustments between accounting & funding basis under regulations	107,878	4,151	112,029	-112,029	0
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	14,731	10,743
Balance as at 31 March 2024	47,147	12,697	59,844	-2,510,806	-2,450,962

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PCC Movement in Reserves Statements 2024/2025 and 2023/2024

Movement in reserves statement 2024/2025					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	47,147	12,697	59,844	-2,510,806	-2,450,962
Impact of adoption of IFRS16	397		397		
Total comprehensive income and expenditure	-109,332	0	-109,332	277,000	167,668
Adjustments between accounting & funding basis under regulations	102,927	0	102,927	-102,927	0
Increase/decrease(-) in 2024/2025	-6,008	0	-6,008	174,073	168,065
Balance as at 31 March 2025	41,139	12,697	53,836	-2,336,733	-2,282,897

Movement in reserves statement 2023/2024					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	55,286	8,546	63,832	-2,525,537	-2,461,705
Total comprehensive income and expenditure	-116,017	0	-116,017	126,760	10,743
Adjustments between accounting & funding basis under regulations	107,878	4,151	112,029	-112,029	0
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	14,731	10,743
Balance as at 31 March 2024	47,147	12,697	59,844	-2,510,806	-2,450,962

Group Balance Sheet as at 31 March 2025

Note that the intragroup liability has been removed on consolidation at the group level

OCC	PCC	Group 2024	Balance Sheet	OCC	PCC	Group 2025	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
Property, plant and equipment							
0	202,731	202,731	Land and buildings	0	208,305	208,305	
0	18,593	18,593	Vehicles, plant and equipment	0	19,956	19,956	
0	1,503	1,503	Assets under construction	0	1,077	1,077	
0	4,038	4,038	Surplus assets	0	2,644	2,644	
0	0	0	Right of use assets	0	5,688	5,688	
0	2,789	2,789	Investment properties	0	2,621	2,621	
0	440	440	Intangible fixed assets	0	415	415	
Long term assets							
0	857	857	Prepayments	0	461	461	
2,634,843	0	0	Long term liability - intragroup adjustment	2,465,614	0	0	
2,634,843	230,951	230,951	Total non-current assets	2,465,614	241,167	241,167	
0	1,562	1,562	Inventories (stock)	0	1,203	1,203	
0	27,600	27,600	Short term investments	0	15,692	15,692	
0	72,905	72,905	Debtors and payments in advance	0	46,539	46,539	
0	9,437	9,437	Cash and cash equivalents	0	36,127	36,127	
0	0	0	Assets held for sale	0	86	86	
19,104	0	0	Intragroup debtor	14,891	0	0	
19,104	111,504	111,504	Total current assets	14,891	99,647	99,647	
0	-3,470	-3,470	Bank overdraft	0	-4,010	-4,010	
0	-8,922	-8,922	Short term borrowing	0	-1,137	-1,137	
-14,570	-31,371	-45,941	Creditors and receipts in advance	-12,864	-33,787	-46,651	
0	-19,104	0	Intragroup creditor	0	-14,891	0	
-4,534	-548	-5,082	Short term provisions	-2,027	-1,710	-3,737	
0	-1,938	-1,938	Short term PFI lease liability	0	-2,014	-2,014	
0	0	0	Short term non-PFI lease liability	0	-1,044	-1,044	
-19,104	-65,353	-65,353	Total current liabilities	-14,891	-58,593	-58,593	
0	-38,094	-38,094	Long term borrowing	0	-39,731	-39,731	
0	-8,653	-8,653	Long term provisions	0	-10,967	-10,967	
0	-46,474	-46,474	Long term PFI liability	0	-44,973	-44,973	
0	0	0	Long term non-PFI lease liability	0	-3,833	-3,833	
0	-2,634,843	0	Pensions - intragroup adjustment	0	-2,465,614	0	
-2,634,843	0	-2,634,843	Net defined pension liability	-2,465,614	0	-2,465,614	
-2,634,843	-2,728,064	-2,728,064	Total long term liabilities	-2,465,614	-2,565,118	-2,565,118	
0	-2,450,962	-2,450,962	Net assets	0	-2,282,897	-2,282,897	
0	59,844	59,844	Total usable reserves	0	53,836	53,836	
0	-2,510,806	-2,510,806	Total unusable reserves	0	-2,336,733	-2,336,733	
0	-2,450,962	-2,450,962	Total reserves	0	-2,282,897	-2,282,897	

Paul Butler

Chief Finance Officer to PCC

Group Cash Flow Statement

OCC	PCC	Group		OCC	PCC	Group
	2023/2024	2023/2024	Cash Flow Statement		2024/2025	2024/2025
£'000	£'000	£'000		£'000	£'000	£'000
0	116,017	116,017	Net surplus(-)/deficit on the provision of services	0	109,332	109,332
0	-15,210	-15,210	Depreciation and impairment of property, plant and equipment	0	-20,567	-20,567
0	-25	-25	Amortisation of intangible assets	0	-25	-25
0	13	13	Movement in Fair Value Investment properties	0	-168	-168
0	-400	-400	Movement in Fair Value Financial Instruments	0	92	92
0	0	0	Movement in Donated assets	0	46	46
-410	-694	-1,104	Increase(-)/decrease in provision charged back to service	2,508	-2,751	-243
0	-107,885	-107,885	Charges for retirement benefits in accordance with IAS 19	0	-100,475	-100,475
0	-178	-178	Carrying amounts of non-current assets sold	0	-221	-221
2,005	12,322	14,327	Increase/decrease(-) in long and short term debtors	-4,214	-22,508	-26,722
-1,595	641	-954	Increase(-)/decrease in long and short term creditors	1,706	-2,619	-913
0	387	387	Increase/decrease(-) in stock/WIP	0	-359	-359
0	-111,029	-111,029	Adjust net surplus(-)/deficit on the provision of services for non-cash movements	0	-149,555	-149,555
0	4,297	4,297	Proceeds from the sale of property, plant and equipment	0	412	412
0	48	48	Capital grants credited to the surplus or deficit on the provision of service	0	459	459
0	2,713	2,713	Interest received	0	4,521	4,521
0	-5,280	-5,280	Interest paid	0	-5,810	-5,810
0	1,778	1,778	Adjust net surplus(-)/ deficit on the provision of services that are investing or financing activities	0	-418	-418
0	6,766	6,766	Net cash flows from operating activities	0	-40,641	-40,641
0	14,117	14,117	Purchase of property, plant and equipment	0	16,963	16,963
0	-4,297	-4,297	Capital receipts	0	-412	-412
0	-48	-48	Capital grant/contribution income due for the year	0	-459	-459
0	28,000	28,000	Purchase of short & long term investments *	0	16,000	16,000
0	-22,000	-22,000	Proceeds of short & long term investments *	0	-28,000	-28,000
0	-2,713	-2,713	Interest received	0	-4,521	-4,521
0	13,059	13,059	Net cash flow from investing activities	0	-429	-429
0	-5,000	-5,000	New long term loans raised	0	0	0
0	1,147	1,147	Repayment of long term loans	0	6,147	6,147
0	1,281	1,281	Repayment of PFI Liability	0	2,023	2,023
0	5,280	5,280	Repayment of non-PFI lease liability	0	940	940
0	5,280	5,280	Interest paid	0	5,810	5,810
0	2,708	2,708	Net cash flow from financing activities	0	14,920	14,920
0	22,533	22,533	Net increase(-)/decrease in cash and cash equivalents	0	-26,150	-26,150
0	-28,500	-28,500	Cash and cash equivalents at the beginning of the reporting period	0	-5,967	-5,967
0	-5,967	-5,967	Cash and cash equivalents at the end of the reporting period	0	-32,117	-32,117

Notes to the Financial Statements

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling these accounts are in accordance with the recommendations of CIPFA. They accord with CIPFA's Code of Practice on Local Authority Accounting 2024/2025 and the Accounts and Audit Regulations 2015 and are based on the following standards:

International Financial Reporting Standards (IFRSs) as adopted by the UK;

International Public Sector Accounting Standards (IPSASs);

UK Generally Accepted Accounting Practice (GAAP); (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) abstracts) as far as they are applicable.

1.2 Accruals of Income and Expenditure

Activity is accounted for and recorded on an accruals basis. This means that income is recorded in the accounts when it becomes due, rather than when it is received, and outstanding amounts are included as debtors. Expenditure is included in the accounts when the goods or services are received or supplied, and any outstanding amounts are included as creditors. The PCC Group established a de-minimis level of £5,000 for accruals in both 2023/2024 and 2024/2025.

1.3 Council Tax

Council tax income included within the comprehensive income and expenditure statement includes our share of the surplus or deficits from other local authority collection funds.

1.4 Government Grants

1.4.1 Revenue Grant

Government grants are shown as income within the comprehensive income and expenditure statement and are used to fund the expenditure on policing activities.

1.4.2 Capital Grant

Income received from the Home Office in respect of the capital grant is shown within the comprehensive income and expenditure statement. When the income is matched to the capital expenditure it is transferred to the Capital Adjustment Account. Any unused capital grant is allocated to the Capital Grant Unapplied Account within reserves. Capital grants with outstanding conditions attached have been transferred to the Capital Receipts in Advance Account.

1.4.3 Specific Grants

Specific grant income is recognised immediately within the comprehensive income and expenditure statement on an accruals basis. If there are conditions outstanding to be achieved on the specific grants at the end of the financial year they are recognised as a creditor receipt in advance.

1.5 VAT

Value Added Tax is not included as income or expenditure of the PCC except where it is non-recoverable.

1.6 Interest

External interest receivable on investments and the interest payable on borrowing are charged to the comprehensive income and expenditure statement.

1.7 Employee Benefits

1.7.1 Benefits Payable During Employment

Employee benefits that are due to be settled wholly within 12 months of the year end are recognised as an expense for services in the year which the employees rendered services for the Chief Constable. These include: salaries; annual leave; sick leave; bonuses; and non-monetary benefits (e.g cars).





An accrual is made for the cost of holiday entitlements earned by employees but not taken before year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves statement to the accumulated absences account so that the holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.7.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the group to terminate an employee's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. These benefits are charged on an accruals basis to the appropriate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

1.7.3 Post-Employment Benefits

Employees of the Chief Constable are members of four separate pension schemes

-  The Police Officer 1987 scheme (PPS)
-  The Police Officer 2006 scheme (NPPS)
-  The Police Officer 2015 scheme (CARE)
-  The Local Government Pension scheme (CARE)

1.7.3.1 Police Officers Pension Scheme

All police officers can become members of the Police Officer pension scheme, with new entrants joining the 2015 scheme as the other legacy schemes are closed to new joiners. These pension schemes are accounted for as defined benefit schemes.

The liabilities of the police officers pension scheme are included in the balance sheet on an actuarial basis using the projected unit method. The projected unit method is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at the single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

1.7.3.2 Local Government Pension Scheme

All police staff and PCSOs can become members of the Local Government Pension Scheme which is accounted for as a defined benefits scheme. In Avon and Somerset we are a member of the Somerset Council pension fund.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

The assets of the Somerset Council pension fund attributable to the group are included in the balance sheet at their fair value

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

1.7.3.3 Net Pensions Liability

The change in the net pensions liability for the pension scheme is analysed into the following components

Service cost comprising

- ✚ Current service cost – this is the increase in liabilities as a result of years of service earned this year which is allocated in the CIES to the services for which the employees worked;
- ✚ Past service cost – this is the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the CIES;
- ✚ Net interest on the net defined benefit liability or asset – this is the change during the period in the net defined benefit liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate (used to measure the defined benefit obligation at the beginning of the period) to the net defined benefit liability or asset at the beginning of the period and taking into account any changes in the net defined liability or asset during the period as a result of contribution and benefit payments.

Re-measurements comprising

- ✚ The return on plan assets excludes the amounts included in the net interest on the net defined benefit liability or asset which is charged to the pensions reserve as Other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme.
- ✚ Actuarial gains and losses are changes in the net pension's liability that arise because events have not coincided with assumptions made at the last valuation or because the actuaries have updated their assumptions. These changes are charged to the pensions reserve as Other Comprehensive Income and Expenditure.

1.8 Leased Assets

1.8.1 IFRS 16 Leases: Transition

In 2024/25, the constabulary applied IFRS 16 *Leases* as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to

be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

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

- ✚ lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- ✚ the weighted average of the incremental borrowing rates used to discount liabilities was 5.2%
- ✚ right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded

This resulted in the following additions to the Balance Sheet and Reserves

- ✚ £6,218k Property, plant and equipment (right-of-use assets)
- ✚ £4,046k Non-current creditors (lease liabilities)
- ✚ £1,148k Current creditors (lease liabilities)
- ✚ £627k Provisions for dilapidations
- ✚ £397k Capital adjustment account in reserves for Peppercorn leases

The newly recognised lease liabilities of £5,194k compare with the operating lease commitments of £6,547k at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £5,047k (using the incremental borrowing rate at 1 April 2024), there is a difference of £147k from the newly recognised lease liabilities. The main differences are showing in the following table

Land & Buildings lease commitments to IFRS 16 position at 1 April 2024		£'000
Total operating land & buildings lease commitments disclosed at 31 March 2024		6,547
Impact of discounting using discount rates		-1,500
Recognition exemptions:		
Leases of low value assets		-4
Leases with remaining lease term of less than 12 months		-40
Inclusion of reprographic equipment (non land & buildings)		141
Other adjustments		50
Total lease liabilities recognised under IFRS 16 at 1 April 2024		5,194

1.8.2 Classification of Leases

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

1.8.3 Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later).

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

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

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

1.8.4 Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy for fair value for leases (with the exception of peppercorn or nil consideration leases), as the leases have provision for regular rent reviews. Peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

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

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

The liability is remeasured when

- ✚ there is a change in future lease payments arising from a change in index or rate
- ✚ the authority changes its assessment of the end date of the lease (for example, whether it will exercise a purchase, extension or termination option).

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

1.8.5 Low Value and Short Lease Exemption

The authority excludes leases

- ✚ for low-value items that cost less than £12,000 when new, provided they are not highly dependent on or integrated with other items, and
- ✚ with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

1.8.6 Lease Expenditure

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

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

1.9 Property, Plant and Equipment

Expenditure on capital assets is recognised in the accounts when the work has been completed or when the asset has been delivered. The latest valuation was undertaken on 31 March 2024 by an external Chartered Valuation Surveyor.

1.9.1 Recognition

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

1.9.2 Measurement

Assets are initially measured at cost comprising

- ✚ The purchase price
- ✚ Any costs attributable to bringing the asset to the location and condition necessary for it to operate in the manner it was intended.

Assets are then carried in the balance sheet using the following bases

- ✚ Properties have been valued in accordance with CIPFA code of guidance and with the current RICS valuation – Global standards UK national supplement, on the basis of existing use value, depreciated replacement cost or fair value.
- ✚ Operational assets that are not specialised have been valued at existing use value. Existing use value is defined as the estimated amount for which a property should exchange on the valuation date between a willing buyer and seller at an arm's length transaction.
- ✚ Operational assets for which no market is in existence or which are specialised in nature have been valued at depreciated replacement cost. Depreciated replacement cost is defined as the current cost of replacing an asset with its modern equivalent asset, less deductions.

1.9.3 Revaluation

The revaluation reserve is used to record gains arising from the revaluation of non-current assets until they are disposed. Revaluation losses that cannot be met from accumulated revaluation gains are charged to the comprehensive income and expenditure statement. Any charges made to the comprehensive income and expenditure statement are reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account.

When a valuation for an asset is undertaken, components of the asset are separately identified when the asset value is over £1,000,000 and the components value is over 20% of the total value of the asset. Components are identified as

- ✚ Parts of the asset that can be disposed or replaced separately from other components of the assets and/or
- ✚ Parts of the asset which have a different useful life to other components.

When assets are disposed the value of the asset on the balance sheet is written off to the comprehensive income and expenditure statement as part of the gain or loss on disposal. The reversal of this is shown within the Movement in Reserves Statement so that there is no impact to council tax.

Vehicles and other non-property assets are carried in the balance sheet at depreciated historical cost as a proxy for current value. Assets under construction are carried at cost until the asset is made operational at which point they are classified accordingly and depreciation commences.

1.10 Depreciation

- ✚ All assets are depreciated except for land and assets under construction. The following policies are used
- ✚ Depreciation on buildings is based upon information provided within the latest valuation report regarding the useful life of the buildings and their components, and is based on the

'straight-line' method. The straight line method writes off the value of an asset in equal annual instalments over the estimated useful economic life of the asset. The useful life of our buildings are from the valuation report completed each year. Once a building is operational and transferred from assets under construction depreciation commences on the building.

- ✚ The value of other assets such as vehicles, computers and other equipment falls steadily throughout their lives. These assets are expected to have shorter useful lives of up to seven years. The depreciation starts from the month of acquisition. Again the straight-line method of depreciation is used.
- ✚ Intangible assets are amortised using the straight-line method over the period the software is in use, which is typically four years. An exception to this is the SAP licence which is amortised over 25 years.

1.11 Impairments

The PCC's properties are reviewed for impairment at the end of each financial year. When impairment is identified as part of the annual review or as a result of a revaluation exercise, this will first be charged to the revaluation reserve to the extent that impairment does not exceed the amount in the revaluation reserve for the same asset, and thereafter in the comprehensive income and expenditure statement.

1.12 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and Capital Receipts Reserve.

1.13 Private Finance Initiatives (PFI)

The PCC entered into a private finance initiative with Blue Light Partnership where four facilities were constructed, including the provision of services and building maintenance over the 25 year contract. At the end of the contract the ownership of the properties will pass to the PCC for no additional charge. These properties, which are recognised on the balance sheet, are revalued and depreciated in the same way as property, plant & equipment owned by the PCC. The liability to pay for the cost of the capital investment to the Blue Light Partnership is recognised on the balance sheet.

The amounts payable to the Blue Light Partnership each year are analysed into the following elements

- ✚ Fair value of services received during the year – this is charged to the net cost of Police services within the comprehensive income and expenditure statement.
- ✚ Finance cost – this is the interest charge on the outstanding balance sheet liability, shown within the Financial and Investment Income and Expenditure within the Comprehensive Income and Expenditure statement.
- ✚ Payment towards liability – this writes down the outstanding liability on the balance sheet.

1.13.1 IFRS 16 PFI Leases: Transition

- ✚ From 1 April 2024, the principles of IFRS 16 have also been applied to PFI arrangements. Under the previous accounting standard (IAS 17) finance lease liabilities were not remeasured when payments are increased in line with an inflation index. The increase in payments arising from indexation were treated in the same way as finance costs and simply expensed in the period to which the payment relates. This additional payment was known as 'contingent rent'
- ✚ Under IFRS 16 a different treatment is applied: where indexation or changes in a rate affect future payments, the lease liability is remeasured. Instead of expensing the additional payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments. Increases in expenditure are realised as increases in the amortisation charge taken against the remeasured liability.
- ✚ On transition, the PFI lease liability should be remeasured when the change in an index causes a change in future lease payments. As the constabulary's PFI arrangements are increased in line with an inflation index on an annual basis, the PFI lease liability was remeasured during 2024/25.

The transition to IFRS 16 resulted in the following additions to the Balance Sheet for PFI leases

- ✚ £480k increase in Property, plant and equipment
- ✚ £480k increase in PFI lease liabilities

1.14 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits repayable within 24 hours. Cash equivalents are investments with maturity date of no more than 3 months which are easily convertible into known amounts of cash and have an insignificant risk of a change in value. Cash & Cash equivalents also include the bank overdraft as it is a key part of the cash management process for cashflow

1.15 Short and Long Term Investments

Investments are deposits with UK and overseas banks, building societies and local authorities. Short term investments are convertible to cash from between 3 months and one year of the balance sheet date. Long term investments are convertible to cash over one year from the balance sheet date. Surplus funds are managed on behalf of the PCC by Somerset Council Treasury. Funds are invested in line with policy approved by the PCC.

1.16 Financial Instruments

1.16.1 Fair Value

Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measured date. The PCC uses the most appropriate method of valuation within the hierarchy to assess the fair value.

Level 1 Fair value is derived from quoted prices in an active market for identical assets or liabilities.

Level 2 The fair value is calculated from quoted prices that are observable from similar assets or liabilities.

Level 3 Fair value is determined from unobservable data where there is no market data available.



1.16.2 Financial Liabilities

Financial liabilities are recognised on the balance sheet when the group becomes a party to the contractual provisions of a financial instrument. The liabilities are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying value of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the group has, this means that the amount presented in the balance sheet is the outstanding principle repayable, plus accrued interest; and interest charged to the CIES is the amount payable for the year according to the loan agreement.

1.16.3 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The group holds financial assets measured at

-  Amortised cost.
-  Fair value through profit and loss (FVPL).

The group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principle and interest.

1.16.3.1 Financial Assets Measured at Amortised Cost

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

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

1.16.3.2 Financial assets measured at fair value through profit or loss

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the balance sheet when the group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the surplus or deficit on the provision of services.

1.16.3.3 Fair value measurement of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value of the financial assets are provided by the group's treasury advisors. Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

1.17 Provisions

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the obligation.

Provisions are charged as an expense to the appropriate line in the comprehensive income and expenditure statement when the group has an obligation, and are measured at the best estimate at the balance sheet date of the expenditure to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the balance sheet and estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required or a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service.

1.18 Joint Arrangements

Joint Arrangements are classified as either Joint Operations or Joint Ventures. Joint Operations are where activities are agreed through a shared control (usually through a shared board) and the parties have rights to the assets and obligations for the liabilities relating to the arrangement. Joint Ventures are where the parties have rights to the net assets of the arrangement. The Group does not participate in any joint ventures.

The PCC recognises its share of the assets, liabilities and expenditure relating to its involvement in the joint operations.

The Police and Crime Commissioner has entered into collaborative arrangements with other police forces and local authorities. Details of these are disclosed in the notes to the accounts.

1.19 Contingent Liabilities

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

1.20 Reserves

The reserves that are held by the PCC are split between usable and unusable reserves on the balance sheet.

Usable reserves are amounts of money we keep to pay for future projects, and to protect against unexpected events. The useable reserves include

- ✚ The General Fund is risk assessed annually by the Chief Financial Officer of the PCC for the level of funds that the PCC needs to hold at the end of each financial year
- ✚ Earmarked reserves are balances we hold to meet future expenditure in defined areas and within approved policies
- ✚ The Capital Receipts Reserve is where income is received from the sale of property, plant and equipment and held in reserve to fund new capital expenditure.

The unusable reserves include

- ✚ The Revaluation reserve, which represents the changes in the value of assets as a result of revaluation after 1 April 2007; revaluations made prior to the 31 March 2007 were transferred to the capital adjustment account below
- ✚ The Capital Adjustment Account absorbs the timing differences arising from the consumption of property, plant and equipment and for the financing of the acquisitions and enhancements of the assets under statutory provision. This account also includes any revaluation gain/loss prior to 1 April 2007

- ✚ The Collection Fund Adjustment account represents the surplus or deficits on the local authorities' collection funds that have been charged to the comprehensive income and expenditure statement as it falls due from council tax payers compared to the statutory arrangements for paying across amounts to the general fund from the collection fund.
- ✚ The short term compensated absences account represents outstanding employee benefits at the year end that have been earned and not taken during the year. The cost of these benefits has been charged to the comprehensive income and expenditure statement and then reversed to this account ensuring there is no impact on the council tax payer and the general fund

1.21 Post Balance Sheet Events

These are events occurring after the balance sheet date before the Statement of Accounts are authorised for issue. Two types of events can be identified

Adjusting events - where there is evidence that the conditions existed at the end of the reporting period and the accounts are adjusted to reflect these events;

Non-adjusting events – where these are indicative of conditions that arose after the balance sheet date, the Statement of Accounts are not amended, but a note is included to provide an explanation of the nature and the effect of the event;

Events that have taken place after the authorised date of issue are not reflected within the Statement of Accounts.

2 Critical Judgements in Applying Accounting Policies

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

- ✚ As a result of the Police Reform and Social Responsibility Act 2011 (the Act), two corporations sole were formed - the Police and Crime Commissioner (PCC) for Avon and Somerset and the Office of the Chief Constable (OCC). The PCC is responsible for the formal oversight of the Avon and Somerset Police and the Chief Constable, including setting the strategic direction and holding the police to account; whilst the Chief Constable has the direction and control over the force's officers and staff.
- ✚ For accounting purposes, the PCC is the parent entity of the Office of the Chief Constable and together they form the PCC group. The accounting recognition of the PCC Group assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice.
- ✚ The PCC receives all government funding and income, and the Chief Constable uses the PCC's financial resources against an annual budget in order to discharge their operating policing responsibilities. The Chief Constable does not hold any cash or reserves. The PCC has the responsibility for managing the financial relationship with third parties.
- ✚ All the assets, liabilities and reserves of the PCC Group are recognised on the PCC Balance Sheet except for the liabilities for employee benefits. As a result, there is a nil balance on the Chief Constable's Movement of Reserves Statement and no cash transactions on the Chief Constable's cashflow statement. The financial results of the PCC resources used by the Chief Constable are shown in the Comprehensive Income and Expenditure Statement (CIES).

- ✚ As the Chief Constable does not hold reserves the financial consequences recognised in the CIES are offset by intra-group adjustments to reflect the funding of PCC resources consumed at the request of the Chief Constable to give a nil balance on the General Reserves of the Chief Constable at the year end. These intra-group adjustments are mirrored in the PCC accounts to reflect the funding of resources at the request of the Chief Constable.
- ✚ Police pension costs are recognised in the Chief Constable's Accounts in accordance with IAS 19 (Employee Benefits). The liability for police pensions on the Chief Constable's Balance Sheet however is offset by an intra-group debtor reflecting the PCC's responsibility to provide funds from the police fund each year to enable the Chief Constable to administer police pension payments. Similarly, within the Chief Constable's CIES the IAS 19 pension costs are offset by intra-group funding adjustments within the Net Cost of Policing Services and within 'Financing and Investment' lines. The PCC's Balance Sheet shows a matching liability and police pension reserve to reflect its responsibility to provide funds for the payment of police pensions.
- ✚ The same accounting treatment has been adopted in respect of accumulated absences due to employees, but not taken at the reporting date. The liabilities in the Chief Constable's Balance Sheet are offset by an intra-group transfer from the PCC's to reflect the fact that the PCC ultimately funds the Chief Constable's employee costs.

3 Accounting Standards Issued but not Adopted

The following accounting standards have been issued but not adopted by CIPFA and are unlikely to have a material impact on the financial statements.

- ✚ Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- ✚ Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- ✚ International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- ✚ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

4 Assumptions Made About the Future and the Sources of Estimations

4.1 Pension Liability

The estimation of the net liability to pay pension depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and the expected return on the fund's assets. Actuaries provide the OCC with expert advice about the assumptions that have been applied.

Further information is included within notes 16 to 18 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability.

Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes are closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access

the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sargeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

The following tables show the impact of a small change in the assumptions made for the Police Officer and Police Staff Pension Schemes.

Police Officer Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,419,906	2,453,287	2,487,461
Projected service cost	20,050	21,196	22,383
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,455,749	2,453,287	2,450,835
Projected service cost	21,196	21,196	21,196
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,485,939	2,453,287	2,421,395
Projected service cost	22,427	21,196	20,007
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,536,676	2,453,287	2,372,752
Projected service cost	22,173	21,196	20,242

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	453,267	461,498	469,964
Projected service cost	11,315	11,810	12,322
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	462,256	461,498	460,748
Projected service cost	11,810	11,810	11,810
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	469,452	461,498	453,768
Projected service cost	12,343	11,810	11,295
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	474,668	461,498	448,731
Projected service cost	12,249	11,810	11,380

4.2 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2025 to pay for known future costs it has been necessary to estimate and make assumptions about the future. More detail around the sources of these estimations and the underlying assumptions made are included within note 26 Short and Long Term Provisions.

4.3 Valuation of Assets

A valuation was undertaken of the land and buildings as at 31 March 2025 and the value of the properties have been amended to reflect the updated values for the assets. Indices were used as part of the valuation for the construction costs and local market information over the year. Valuation of land and buildings are of a subjective nature and could vary by +/-10% year on year. In assessing the fair value of the assets held for sale, the activity within the local property market was considered.

5 Events After the Balance Sheet Date

There are no post balance sheet events to date.

6 Group Expenditure and Funding Analysis

This note shows how the annual expenditure is allocated and the funding available to the PCC in a format which is used for decision making purposes. It is reconciled to the comprehensive income and expenditure statement.

As reported to Management	Adjustments to arrive at the chargeable to general reserves	2023/2024 Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E	Group Expenditure and Funding Analysis	As reported to Management	Adjustments to arrive at the chargeable to general reserves	2024/2025 Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E
£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
364,871	65,969	430,840	-11,132	419,708	Police Services - OCC	386,233	63,224	449,457	-22,483	426,974
2,210	276	2,486	0	2,486	OPCC	2,474	86	2,561	0	2,561
2,392	292	2,684	0	2,684	Commissioning costs	2,396	-576	1,821	0	1,821
369,473	66,537	436,010	-11,132	424,878	Net cost of police services	391,103	62,734	453,839	-22,483	431,356
		0	-4,119	-4,119	Gain on disposal of non-current assets			0	-191	-191
		-58,607	0	-58,607	Pension Top up Grant			-56,729	0	-56,729
		-58,607	-4,119	-62,726	Other operating expenditure			-56,729	-191	-56,920
		0	5,765	5,765	External interest payable			0	5,593	5,593
		0	-3,860	-3,860	Interest and investment income			0	-4,465	-4,465
			-152	-152	Income from Investment properties				-165	-165
			-13	-13	Movement in fair value of investment property				168	168
		0	121,500	121,500	Net interest on pensions			0	125,830	125,830
		0	123,240	123,240	Financial and investment income and expenditure			0	126,961	126,961
		-129,508	0	-129,508	Police - revenue grant			-139,874	0	-139,874
		-67,877	0	-67,877	Ex-DCLG formula funding			-69,272	0	-69,272
		0	-48	-48	Capital grant and contributions			0	-459	-459
		-3,331	0	-3,331	Council tax freeze grant			-3,331	0	-3,331
					Council tax support and transition grant			-11,378	0	-11,378
		-11,378	0	-11,378	Council tax - local authorities			-167,248	-549	-167,797
		-157,170	-63	-157,233	Donated Asset				46	46
		-369,264	-111	-369,375	Taxation and non-specific grant income			-391,103	-962	-559,862
369,473	66,537	-427,871	119,010	-308,861		391,103	62,734	-447,832	125,808	-322,024
		8,139	107,878	116,017	Surplus(-)/deficit on provision of services			6,007	103,325	109,332
		55,286			Opening balance of general fund			47,147		
		-8,139			Transfers to reserves made in year			-6,007		
		47,147			Closing balance of general fund			41,140		

Adjustments to arrive at the chargeable to general reserves column consists of the transfers to & from reserves and intercompany charges.

2023/2024				Group Expenditure and Funding Analysis Adjustment between accounting & funding basis	2024/2025			
Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000		Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
2,194	-13,615	289	-11,132	Police Services - OCC	3,980	-25,355	-1,108	-22,483
2,194	-13,615	289	-11,132	Net cost of police services	3,980	-25,355	-1,108	-22,483
-4,119	0	0	-4,119	Gain on disposal of non-current assets	-191	0	0	-191
-4,119	0	0	-4,119	Other operating expenditure	-191	0	0	-191
0	0	5,765	5,765	External interest payable	0	0	5,593	5,593
0	0	-3,860	-3,860	Interest and investment income	0	0	-4,465	-4,465
	0	-152	-152	Income from Investment properties	0	0	-165	-165
	0	-13	-13	Movement in fair value of investment property	0	0	168	168
0	121,500	0	121,500	Net interest on pensions	0	125,830	0	125,830
0	121,500	1,740	123,240	Financial and investment income and expenditure	0	125,830	1,131	126,961
-48	0	0	-48	Capital grant and contributions	-459	0	0	-459
0	0	-63	-63	Council tax - local authorities	0	0	-549	-549
				Donated Asset	0	0	46	46
-48	0	-63	-111	Taxation and non-specific grant income	-459	0	-503	-962
-4,167	121,500	1,677	119,010		-650	125,830	628	125,808
-1,973	107,885	1,966	107,878	Total adjustment between accounting and funding basis	3,330	100,475	-480	103,325

7 Notes to the Movement in Reserves Statement

These notes support the movement in reserves statement shown on page 29

Group Movement in Reserves Statement 2024/2025	Revenue General Fund	Capital Receipts Reserve	Total Usable Reserves	Collect Fund Adjustment Account	Revaluation Reserve	Pooled Investment Fund Adjustment Account	Pensions Reserve Account	Short Term Absences Account	Capital Adjustment Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	47,147	12,697	59,844	1,541	100,044	-400	-2,634,843	-13,455	36,307	-2,510,806
Impact of adoption of IFRS16	397	0	397							
Total comprehensive income and expenditure	-109,332	0	-109,332	0	7,296	0	269,704	0	0	277,000
Adjustments between accounting & funding basis under regulations										
Reversal of items included to I&E										
Amortisation of intangible assets	25	0	25	0	0	0	0	0	-25	-25
Depreciation of non-current assets	18,880	0	18,880	0	0	0	0	0	-18,880	-18,880
Revaluation loss	1,686	0	1,686	0	0	0	0	0	-1,686	-1,686
Movement in market value of investment properties	168	0	168	0	0	0	0	0	-168	-168
Capital grants and contributions	-459	0	-459	0	0	0	0	0	459	459
Council tax collection fund adjustment	-549	0	-549	549	0	0	0	0	0	549
Gain(-)/loss on disposal of non-current assets	-191	412	221	0	0	0	0	0	-221	-221
Holiday pay accrual adjustment	-53	0	-53	0	0	0	0	53	0	53
Fair value adjustment in respect of financial instruments	-92	0	-92	0	0	92	0	0	0	92
Net IAS 19 charge for retirement benefits	177,727	0	177,727	0	0	0	-177,727	0	0	-177,727
Income in relation to donated assets	-351	0	-351	0	0	0	0	0	351	351
Insert amounts excluded in I&E										
Minimum revenue provision	-4,821	0	-4,821	0	0	0	0	0	4,821	4,821
Revenue contribution to finance capital	-7,579	0	-7,579	0	0	0	0	0	7,579	7,579
IAS 19 employers contributions payable	-77,252	0	-77,252	0	0	0	77,252	0	0	77,252
Other adjustments include:										
Use of capital receipts reserve to finance capital	0	-412	-412	0	0	0	0	0	412	412
Reserves used to finance capital	-4,212	0	-4,212	0	0	0	0	0	4,212	4,212
Increase/decrease(-) in 2024/2025	-6,008	0	-6,008	549	7,296	92	169,229	53	-3,146	174,073
Balance as at 31 March 2025	41,139	12,697	53,836	2,090	107,340	-308	-2,465,614	-13,402	33,161	-2,336,733

Group Movement in Reserves Statement 2023/2024	Revenue General Fund	Capital Receipts Reserve	Total Usable Reserves	Collect Fund Adjustment Account	Revaluation Reserve	Pooled Investment Fund Adjustment Account	Pensions Reserve Account	Short Term Absences Account	Capital Adjustment Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	55,286	8,546	63,832	1,478	91,193	0	-2,644,867	-11,813	38,472	2,525,537
Total comprehensive income and expenditure	-116,017	0	-116,017	0	8,851	0	117,909	0	0	126,760
Adjustments between accounting & funding basis under regulations										
Reversal of items included to I&E										
Amortisation of intangible assets	25	0	25	0	0	0	0	0	-25	-25
Depreciation of non-current assets	15,824	0	15,824	0	0	0	0	0	-15,824	-15,824
Revaluation Gain	-614	0	-614	0	0	0	0	0	614	614
Movement in market value of investment properties	-13	0	-13	0	0	0	0	0	13	13
Capital grants and contributions	-48	0	-48	0	0	0	0	0	48	48
Council tax collection fund adjustment	-63	0	-63	63	0	0	0	0	0	63
Gain(-)/loss on disposal of non-current assets	-4,119	4,297	178	0	0	0	0	0	-178	-178
Holiday pay accrual adjustment	1,642	0	1,642	0	0	0	0	-1,642	0	-1,642
Fair value adjustment in respect of financial instruments	400	0	400	0	0	-400	0	0	0	-400
Net IAS 19 charge for retirement benefits	177,426	0	177,426	0	0	0	-177,426	0	0	-177,426
Insert amounts excluded in I&E										
Minimum revenue provision	-3,139	0	-3,139	0	0	0	0	0	3,139	3,139
Revenue contribution to finance capital	-2,700	0	-2,700	0	0	0	0	0	2,700	2,700
IAS 19 employers contributions payable	-69,541	0	-69,541	0	0	0	69,541	0	0	69,541
Other adjustments include:										
Use of capital receipts reserve to finance capital	0	-146	-146	0	0	0	0	0	146	146
Reserves used to finance capital	-7,202	0	-7,202	0	0	0	0	0	7,202	7,202
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	63	8,851	-400	10,024	-1,642	-2,165	14,731
Balance as at 31 March 2024	47,147	12,697	59,844	1,541	100,044	-400	-2,634,843	-13,455	36,307	-2,510,806

PCC Movement in Reserves Statement 2024/2025	Revenue General Fund	Capital Receipts Reserve	Total Usable Reserves	Collect Fund Adjustment Account	Revaluation Reserve	Pooled Investment Fund Adjustment Account	Pensions Reserve Account	Short Term Absences Account	Capital Adjustment Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	47,147	12,697	59,844	1,541	100,044	-400	-2,634,843	-13,455	36,307	-2,510,806
Impact of adoption of IFRS16	397		397							
Total comprehensive income and expenditure	-109,332	0	-109,332	0	7,296	0	269,704	0	0	277,000
Adjustments between accounting & funding basis under regulations										
Reversal of items included to I&E										
Amortisation of intangible assets	25	0	25	0	0	0	0	0	-25	-25
Depreciation of non-current assets	18,880	0	18,880	0	0	0	0	0	-18,880	-18,880
Revaluation Gain	1,686	0	1,686	0	0	0	0	0	-1,686	-1,686
Movement in market value of investment properties	168	0	168	0	0	0	0	0	-168	-168
Capital grants and contributions	-459	0	-459	0	0	0	0	0	459	459
Council tax collection fund adjustment	-549	0	-549	549	0	0	0	0	0	549
Gain(-)/loss on disposal of non-current assets	-191	412	221	0	0	0	0	0	-221	-221
Holiday pay accrual Inter group adjustment	-53	0	-53	0	0	0	0	53	0	53
Fair value adjustment in respect of financial	-92	0	-92	0	0	92	0	0	0	92
Net IAS 19 charge for retirement benefits	177,727	0	177,727	0	0	0	-177,727	0	0	-177,727
Income in relation to donated assets	-351	0	-351	0	0	0	0	0	351	351
Insert amounts excluded in I&E										
Minimum revenue provision	-4,821	0	-4,821	0	0	0	0	0	4,821	4,821
Revenue contribution to finance capital	-7,579	0	-7,579	0	0	0	0	0	7,579	7,579
IAS 19 employers contributions payable	-77,252	0	-77,252	0	0	0	77,252	0	0	77,252
Other adjustments include:										
Use of capital receipts reserve to finance capital	0	-412	-412	0	0	0	0	0	412	412
Reserves used to finance capital	-4,212	0	-4,212	0	0	0	0	0	4,212	4,212
Increase/decrease(-) in 2024/2025	-6,008	0	-6,008	549	7,296	92	169,229	53	-3,146	174,073
Balance as at 31 March 2025	41,139	12,697	53,836	2,090	107,340	-308	-2,465,614	-13,402	33,161	-2,336,733

PCC Movement in Reserves Statement 2023/2024	Revenue General Fund	Capital Receipts Reserve	Total Usable Reserves	Collect Fund Adjustment Account	Revaluation Reserve	Pooled Investment Fund Adjustment Account	Pensions Reserve Account	Short Term Absences Account	Capital Adjustment Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	55,286	8,546	63,832	1,478	91,193	0	-2,644,867	-11,813	38,472	-2,525,537
Total comprehensive income and expenditure	-116,017	0	-116,017	0	8,851	0	117,909	0	0	126,760
Adjustments between accounting & funding basis under regulations										
Reversal of items included to I&E										
Amortisation of intangible assets	25	0	25	0	0	0	0	0	-25	-25
Depreciation of non-current assets	15,824	0	15,824	0	0	0	0	0	-15,824	-15,824
Revaluation Gain	-614	0	-614	0	0	0	0	0	614	614
Movement in market value of investment properties	-13	0	-13	0	0	0	0	0	13	13
Capital grants and contributions	-48	0	-48	0	0	0	0	0	48	48
Council tax collection fund adjustment	-63	0	-63	63	0	0	0	0	0	63
Gain(-)/loss on disposal of non-current assets	-4,119	4,297	178	0	0	0	0	0	-178	-178
Holiday pay accrual Inter group adjustment	1,642	0	1,642	0	0	0	0	-1,642	0	-1,642
Fair value adjustment in respect of financial instruments	400	0	400	0	0	-400	0	0	0	-400
Net IAS 19 charge for retirement benefits	177,426	0	177,426	0	0	0	-177,426	0	0	-177,426
Insert amounts excluded in I&E										
Minimum revenue provision	-3,139	0	-3,139	0	0	0	0	0	3,139	3,139
Revenue contribution to finance capital	-2,700	0	-2,700	0	0	0	0	0	2,700	2,700
IAS 19 employers contributions payable	-69,541	0	-69,541	0	0	0	69,541	0	0	69,541
Other adjustments include:										
Use of capital receipts reserve to finance capital	0	-146	-146	0	0	0	0	0	146	146
Reserves used to finance capital	-7,202	0	-7,202	0	0	0	0	0	7,202	7,202
Increase/decrease(-) in 2023/2024	-8,139	4,151	-3,988	63	8,851	-400	10,024	-1,642	-2,165	14,731
Balance as at 31 March 2024	47,147	12,697	59,844	1,541	100,044	-400	-2,634,843	-13,455	36,307	-2,510,806

8 Income and Expenditure Analysed by Nature

2023/2024			Income and Expenditure analysed by nature	2024/2025		
OCC £'000	PCC £'000	Group £'000		OCC £'000	PCC £'000	Group £'000
318,874	1,965	320,839	Employee costs	334,196	2,013	336,209
17,355	0	17,355	Premises costs	16,053	0	16,053
5,501	13	5,514	Transport costs	5,396	11	5,407
44,457	398	44,855	Supplies & services	45,718	429	46,147
18,744	138	18,882	Partnership costs	29,034	159	29,193
20,782	0	20,782	Misc, central, & grants	25,109	0	25,109
0	8,832	8,832	Commissioning	0	9,408	9,408
15,235	0	15,235	Depreciation, amortisation, & impairment	20,591	0	20,591
-11,974	0	-11,974	Employee benefit expenses	-25,408	0	-25,408
121,500	0	121,500	Net interest on pensions	125,830	0	125,830
58,607	0	58,607	Net deficit on Police pension fund	56,729	0	56,729
0	5,365	5,365	Interest payments	0	5,685	5,685
0	-4,119	-4,119	Gain on disposal of fixed assets	0	-191	-191
0	400	400	Fair value adjustment for Financial Instruments	0	-92	-92
0	0	0	Donated Asset Fair Value	0	46	46
-609,081	609,081	0	Intragroup adjustment	-633,249	633,249	0
0	622,073	622,073	Total expenditure	0	650,716	650,716
-18,532	-429	-18,961	Sales, rent, fees, & charges	-20,899	-356	-21,255
-1,362	0	-1,362	Seconded officers	-1,785	0	-1,785
0	-3,082	-3,082	Commissioning of victim support services	0	-3,006	-3,006
-17,930	0	-17,930	Counter terrorism policing grant	-20,578	0	-20,578
-801	-1,686	-2,487	Serious Violence grant	0	-1,626	-1,626
-8,090	0	-8,090	Uplift grant	-11,162	0	-11,162
-2,828	0	-2,828	Officer pensions grant	-9,244	0	-9,244
-18,331	-978	-19,309	Other specific grants	-16,778	-2,650	-19,428
0	-4,012	-4,012	Interest and investment income	0	-4,629	-4,629
0	-13	-13	Changes in the MV of investment properties	0	168	168
0	-129,508	-129,508	Police - revenue grant	0	-139,874	-139,874
0	-67,877	-67,877	Ex-DCLG formula funding	0	-69,272	-69,272
0	-48	-48	Capital grant and contributions	0	-459	-459
0	-3,331	-3,331	Council tax freeze grant	0	-3,331	-3,331
0	-11,378	-11,378	CT Support & transition grant	0	-11,378	-11,378
0	-157,233	-157,233	CT- local authorities	0	-167,797	-167,797
0	-58,607	-58,607	Police pension Top up grant	0	-56,729	-56,729
67,874	-67,874	0	Intragroup adjustment	80,445	-80,445	0
0	-506,056	-506,056	Total income	0	-541,384	-541,384
0	116,017	116,017	Surplus/deficit on provision of services	0	109,332	109,332

The employee benefit expense line includes the holiday pay charge, pension costs and employer's contribution. This year it is a credit value due to the pension costs being lower than the employer's contribution.

9 Paying Staff

Disclosure of Remuneration for Senior Employees 2024/2025						
Post Holder Information (post title and name)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2024/2025	Pension Contributions	Total Remuneration Including Pension Contributions 2024/2025
		£	£	£	£	£
PCC - M Shelford	1	9,289	0	9,289	1,728	11,017
PCC - C Moody	2	79,311	0	79,311	14,752	94,063
Chief Constable - S Crew		190,338	9,608	199,946	67,189	267,135
		278,938	9,608	288,546	83,669	372,215

Notes:

Note 1 Outgoing PCC left on 08/05/2024

Note 2 Elected the new PCC for Avon and Somerset. Commenced on 09/05/2024

Disclosure of Remuneration for Senior Employees 2023/2024					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
	£	£	£	£	£
PCC - M Shelford	88,600	0	88,600	16,479	105,079
Chief Constable - S Crew	175,706	8,570	184,276	54,469	238,745
	264,306	8,570	272,876	70,948	343,824

Disclosure of Remuneration for Senior Employees 2024/2025						
Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2024/2025	Pension Contributions	Total Remuneration Including Pension Contributions 2024/2025
		£	£	£	£	£
PCC Employees						
Chief Finance Officer to the PCC		110,129	0	110,129	20,484	130,613
Chief of Staff and Monitoring Officer to the PCC		112,275	0	112,275	20,883	133,158
OCC Employees						
Deputy Chief Constable - J Reilly		159,741	844	160,585	55,506	216,091
ACC - Strategic Improvement		140,691	0	140,691	47,016	187,707
ACC - Neighbourhoods, Partnerships & Response	1	118,212	6,050	124,262	41,729	165,991
ACC - Investigations & Operational Support		133,879	345	134,224	44,612	178,836
Chief Officer - Finance, Resources and Innovation		133,191	8,662	141,853	24,773	166,626
Chief Officer - People and Organisational Development		134,356	0	134,356	23,595	157,951
Force Medical Officer - D Bulpitt	2	12,365	0	12,365	2,300	14,665
Force Medical Officer - B Harrison	3	53,846	0	53,846	10,015	63,861
Misconduct Panel Chair	4	79,583	0	79,583	13,887	93,470
		1,188,268	15,901	1,204,169	304,800	1,508,969

Notes to Remuneration for 2024/2025

Note 1 A new ACC - Neighbourhoods Partnership Response was appointed on 01/04/2024

Note 2 Force Medical Officer retired on 31/05/2024

Note 3 New Force Medical Officer appointed on 03/09/2024

Note 4 Misconduct Panel Chair temporary role appointed on 05/08/2024

Disclosure of Remuneration for Senior Employees 2023/2024

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
		£	£	£	£	£
PCC Employees						
Chief Finance Officer to the PCC		104,238	0	104,238	19,388	123,626
Chief of Staff and Monitoring Officer to the PCC		106,269	0	106,269	19,766	126,035
OCC Employees						
Deputy Chief Constable - N Watson	1	97,843	0	97,843	0	97,843
Deputy Chief Constable - J Reilly	2	65,365	0	65,365	19,294	84,659
ACC - Strategic Improvement		131,845	0	131,845	38,547	170,392
ACC - Investigations & Operational Support		120,061	0	120,061	34,894	154,955
ACC - Neighbourhoods, Partnerships & Response	2	76,443	0	76,443	22,341	98,784
T/ACC - Neighbourhoods, Partnerships & Response	3	40,438	0	40,438	12,282	52,720
Chief Officer - Finance, Resources and Innovation		126,068	12,677	138,745	23,449	162,194
Chief Officer - People and Organisational Development	4	120,500	0	120,500	21,018	141,518
Force Medical Officer - D Bulpitt	5	130,992	0	130,992	24,364	155,356
		1,120,062	12,677	1,132,739	235,343	1,368,082

Notes to Remuneration for 2023/2024

Note 1 The Deputy Chief Constable retired on 31/10/2023

Note 2 ACC - Neighbourhoods, Partnerships & Response left this role on 31/10/2023 and was promoted to Deputy Chief Constable on 01/11/2023

Note 3 Temporary ACC - Neighbourhoods, Partnerships & Response appointed on 27/11/2023, prior role will be included in the £50k banding table, due to not being a senior position.

Note 4 Chief Officer - People and Organisational Development permanently appointed on 08/05/2023

Note 5 Force Medical Advisor reduced their working hours to 16 hours per week from 01/11/2023

The number of staff to whom we pay more than £50,000 a year is shown below. Pay includes salary, taxable travel and expenses. Bands with nil values in both years have been removed.

OCC Number	PCC Number	Total 2023/2024 Number	Pay Range	OCC Number	PCC Number	Total 2024/2025 Number
543	3	546	£50,000 - £54,999	622	2	624
301	2	303	£55,000 - £59,999	435	3	438
209	0	209	£60,000 - £64,999	259	2	261
77	0	77	£65,000 - £69,999	172	0	172
17	1	18	£70,000 - £74,999	55	1	56
14	1	15	£75,000 - £79,999	13	1	14
10	0	10	£80,000 - £84,999	11	1	12
10	0	10	£85,000 - £89,999	4	0	4
1	0	1	£90,000 - £94,999	10	0	10
9	0	9	£95,000 - £99,999	3	0	3
1	0	1	£100,000 - £104,999	4	0	4
2	0	2	£105,000 - £109,999	3	0	3
0	0	0	£110,000 - £114,999	3	0	3
1,194	7	1,201		1,594	10	1,604

The numbers within each band can be impacted year on year by inflationary changes.

For further details on gender pay please see our gender pay gap report, which has been published on the Avon and Somerset website.

10 Exit Packages – OCC

The costs for 25 staff redundancies were recognised during the year, the details of which are presented in the table below.

Compulsory & Voluntary 2023/2024		Exit Packages	Compulsory & Voluntary 2024/2025	
Number	£'000	Banding	Number	£'000
6	43	£0 - £19,999	17	72
4	107	£20,000 - £39,999	3	87
0	0	£40,000 - £59,999	4	160
0	0	£60,000 - £79,999	1	75
10	150		25	394

11 External Audit Costs

External audit services are provided to the PCC by Grant Thornton. The amounts paid in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to any non-audit services are shown in the following table

2023/2024 £'000	External Audit Costs	2024/2025 £'000
137	Police and Crime Commissioner: Fees for external audit services paid to Grant Thornton	121
58	Chief Constable: Fees for external audit services paid to Grant Thornton	73
195		194

As part of the Government's response to the Redmond Review, the Department for Levelling Up, Housing, and Communities (DLUHC) provided a grant of £23,115 split by PCC £15,069 and CC £8,046 (2023/24 £22,251 split by PCC £14,685 and CC £7,565) to assist with the anticipated rise in fees, driven by new requirements on auditors, including new burdens relating to the implementation of the Redmond Recommendations and the National Audit Office's Code of Audit Practice 2020. Fees paid by the PCC in 2024/2025 were based on the scale fee. The final fees for the audit have not yet been confirmed.

12 Council Tax

Council tax is collected by the local authorities in our area. The amounts receivable from each local authority are shown in the following table

2023/2024 £'000	Council Tax	2024/2025 £'000
18,336	Bath and North East Somerset Council	19,328
34,994	Bristol City Council	37,351
21,551	North Somerset Council	23,087
55,712	Somerset Council	59,478
26,640	South Gloucestershire Council	28,553
157,233		167,797

13 Transactions with Related Organisations and People

There is a requirement to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC. In doing this we are required to consider the materiality from the viewpoint of both the PCC and the related party.

13.1 Key Management Personnel and Members of the Joint Audit Committee

The PCC and the OCC were asked to disclose details of any transactions between themselves or members of their immediate family with the PCC which either total over £1,000 or which might require separate explanation. John Cummins is the Assistant Chief Constable, during 2024/2025 we have

rendered £4,032 of services relating to the use of accommodation at our HQ from April 2024 to January 2025 (no services were provided in 2023/2024).

13.2 Other Related Parties

The Home Office and the DLUHC exert significant influence on the PCC Group through legislation and grant funding.

The PCC also has a relationship with the Police Community Trust and the Avon and Somerset Constabulary Force Club. Payments were made to the Police Community Trust of £120,189 in 2024/2025 (£228,997 in 2023/2024). Payments were also made to the Avon and Somerset Constabulary Force Club in 2024/2025 of £7,052 (£6,705 in 2023/2024).

14 Joint Arrangements

The PCC participates in a number of joint arrangements, contributions to which are disclosed below

2023/2024 Expenditure £'000	Joint Operations	2024/2025 Expenditure £'000
5,073	South West Regional Organised Crime Unit	5,780
1,820	Firearms Training	1,844
781	Counter Terrorism Specialist Firearms Officers	836
5,915	Major Crime Investigation (Brunel)	6,480
9,516	South West Forensic Services	11,140
164	Regional ACC	146
34	Disaster Victim Identification / Casualty Bureau	54
381	Other Regional Programmes	1,064
23,684	Total	27,344

14.1 South West Regional Organised Crime Unit (SW ROCU)

SW ROCU is a regional collaboration set up to combat serious and organised crime across the South West of England. Avon and Somerset are the lead force with a 30.6% share of net expenditure. Other partners are Devon and Cornwall (31.9%), Dorset (13.5%), Gloucestershire (11.8%) and Wiltshire (12.1%). The total net cost of the operation, after government grants and sundry income, was £18,863,333 in 2024/2025 (£16,535,394 in 2023/2024).

14.2 Firearms Training

Firearms Training is run in partnership between Avon and Somerset, Gloucestershire and Wiltshire. The split of expenditure between the forces is different for premises and non-premises related costs. The overall percentage allocation for 2024/2025 was 44.3% for Avon and Somerset, 29.4% for Gloucestershire, and 26.3% for Wiltshire. The total cost of the operation was £4,159,833 in 2024/2025 (£4,131,185 in 2023/2024).

14.3 Counter Terrorism Specialist Firearms Officers (CTSFO)

The CTSFO collaboration was set up in April 2017 to provide a resilient and rapidly available specialist firearms capability. The collaboration is between Avon and Somerset (53.6%), Gloucestershire (23.2%) and Wiltshire (23.2%). The total cost of the operation was £1,558,448 in 2024/2025 (£1,457,290 in 2023/2024).

14.4 Major Crime Investigation (Brunel)

This is a collaboration between Avon and Somerset (64%), Gloucestershire (17%) and Wiltshire (19%) for the purposes of providing regional oversight and scrutiny of major incidents. The total cost of the service was £10,125,587 in 2024/2025 (£9,242,729 in 2023/2024).

14.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (35.3%), Devon and Cornwall (36.6%), Dorset (15.1%) and Wiltshire (12.9%) to provide forensic services. The total cost of the operation was £31,554,482 in 2024/2025 (£25,102,653 in 2023/2024).

14.6 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and Counter Terrorism Policing South West. The costs are shared between Avon and Somerset (30.6%), Gloucestershire (11.8%), Devon and Cornwall (31.9%), Dorset (13.5%) and Wiltshire (12.1%). The total cost for the ACC was £477,319 in 2024/2025 (£529,422 in 2023/2024).

14.7 Disaster Victim Identification / Casualty Bureau

This is a collaboration between Avon and Somerset (30.6%), Gloucestershire (11.8%), Devon and Cornwall (31.9%), Dorset (13.5%) and Wiltshire (12.1%) to provide two posts to assist with officer deployment across the South West. The total cost of the operation was £176,683 in 2024/2025 (£111,479 in 2023/2024).

14.8 Other Regional Programmes

These are collaborations between Avon and Somerset, Gloucestershire, Devon and Cornwall, Dorset, and Wiltshire covering activities such as the Emergency Services Mobile Communications Programme, shared ways of working for record management systems, and regional governance and oversight of existing collaborations. The percentage split varies between projects. The total cost of all programmes was £3,389,972 in 2024/2025 (£1,190,601 in 2023/2024).

15 Pensions Costs and Liabilities – OCC

The full costs of retirement benefits earned by employees during the year are recognised through the comprehensive income and expenditure statement net cost of police services as they are accrued. These costs are then reversed through the movement in reserves statement so that there is no impact on the general fund, this transaction is then netted off by a intragroup adjustment in the MIRS to move the charge to the PCC accounts, this is evident through note 6 Expenditure and Funding Analysis table.

2024 £'000	IAS 19 Pension Liabilities	2025 £'000
-2,621,719	Police officers	-2,453,287
-13,124	Police staff	-12,327
-2,634,843		-2,465,614

	Police Staff		Police Officers		Total	
	2023/2024 £'000	2024/2025 £'000	2023/2024 £'000	2024/2025 £'000	2023/2024 £'000	2024/2025 £'000
Comprehensive income and expenditure statement						
Cost of services:						
Current service cost	14,864	17,921	40,665	33,565	55,529	51,486
Administration expenses	254	398	0	0	254	398
Past service cost including curtailments	143	13	0	0	143	13
Financing and investment income and expenditure:				0		
Net interest cost	-1,349	110	122,849	125,720	121,500	125,830
Total post employment benefits charged to the surplus or deficit on the provision of services	13,912	18,442	163,514	159,285	177,426	177,727
Other post employment benefits charged to the comprehensive income and expenditure statement						
Return on plan assets	-39,123	13,633	0	0	-39,123	13,633
Changes in demographic assumptions	-6,758	-1,277	-10,022	34,813	-16,780	33,536
Changes in financial assumptions	-13,007	-102,152	-43,730	-341,114	-56,737	-443,266
Experience gain/loss(-) on defined benefit obligations	1,585	-1,244	6,067	91,946	7,652	90,702
Changes in effect of asset Ceiling	45,861	93,869	0	0	45,861	93,869
Other actuarial gain/loss(-)	0		-58,782	-58,178	-58,782	-58,178
Total other comprehensive income	-11,442	2,829	-106,467	-272,533	-117,909	-269,704
Movement in reserves statement						
Reversal of net charges made for retirement benefits in accordance with the code	-13,912	-18,442	-163,514	-159,285	-177,426	-177,727
Actual amount charged against the general fund balance for pensions in the year						
Employer's contribution to scheme	22,562	21,952	39,477	47,403	62,039	69,355
Retirement benefits payable to pensioners	123	116	7,379	7,781	7,502	7,897

16 Pensions for Police Officers – OCC

Employee contributions levels are based on percentages of pensionable pay set nationally by the Home Office. From 1 April 2014 contributions increased and officers will pay contributions ranging from 11.00% to 15.05% depending on their pay scale and the scheme they are in. Employer contributions to the Police Officer Pension Scheme are projected at £45,880,000 in financial year 2024/2025.

Benefits payable are funded by these contributions and any difference between benefits payable and contributions receivable, except for those amounts relating to injuries received in service, is payable by the PCC Group and then reclaimed from the Home Office.

The first table below shows the amount met by the PCC Group and second shows those met by the PCC Group and then reclaimed through the top-up grant from the Government.

2023/2024 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2024/2025 £'000
7,379	Payments to pensioners	7,781

2023/2024 £'000	Pensions Account	2024/2025 £'000
116,273	Benefits paid to officers	124,565
-57,666	Less contributions received	-67,836
58,607	Balance met from PCC Group	56,729

A full valuation of the pension scheme liabilities was undertaken for 31 January 2021. This work was carried out by independent actuaries who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police officers who are members of the fund as well as those who are already receiving pensions. The estimate of the weighted average duration of the scheme's liabilities is 18 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police officers pensions has been made.

Life Expectancy from Age 65 Years		2024/2025	2023/2024
Current pensioners			
	Males	21.2	21.3
	Females	23.4	23.4
Retiring in 20 years			
	Males	22.5	22.5
	Females	24.8	24.7

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2023/2024 %		2024/2025 %
4.95	Discount rate	5.90
3.90	Rate of increase in salaries	3.85
2.90	Rate of increase in pensions in payment	2.85
3.15	Change in Retail Price Index (RPI)	3.10
2.90	Change in Consumer Price Index (CPI)	2.85

The movement in the present value of scheme liabilities for the year to 31 March 2024 is as follows

2023/2024 £'000	Present Value of Police Pension Scheme Liabilities	2024/2025 £'000
-2,611,528	Present value of schemes liability as at 1 April	-2,621,719
	Movements in the year	
-40,665	Current service cost	-33,565
122,655	Estimated benefits paid (net of transfers in)	131,611
-17,017	Contributions by scheme participants	-18,249
-122,849	Interest costs	-125,720
43,730	Change in financial assumptions	341,114
10,022	Change in demographic assumptions	-34,813
-6,067	Experience gain/loss on defined benefit obligations	-91,946
-2,621,719	Present value of schemes liability as at 31 March	-2,453,287

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2023/2024 £'000	Fair Value of Police Pensions Scheme Assets	2024/2025 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
58,782	Other actuarial gain	58,178
46,856	Contributions by employer	55,184
17,017	Contributions by scheme participants	18,249
-122,655	Estimated benefits paid (net of transfers in)	-131,611
0	Present value of schemes assets as at 31 March	0

17 Pensions for Police Staff – OCC

Police staff can choose to join the Somerset Council Local Government Pension Scheme, which is a defined benefit scheme based on career average salary. Government regulations define the level of funding required to meet the full cost of current and future pensions.

The total amounts paid into the fund by the PCC Group and the percentage of employees' contributions are shown below

2023/2024		Pension Costs - Police Staff	2024/2025	
Payments £'000	Percentage of Employees' Contributions		Payments £'000	Percentage of Employees' Contributions
20,827	130-296	PCC's contribution	21,981	130-296

During 2024/2025 the Constabulary paid into the fund at rates of between 130% and 296% of the rate which employees paid, depending upon the whole time equivalent salary paid to employees. Employer contributions to the Police Staff Pension Scheme are projected at £21,854,000 in financial year 2025/2026.

Since April 2024 the Constabulary has paid 18.6% of the employee salary in pension contribution (previously 16.3%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2023/2024 was £868,000, the amount paid in 2024/2025 is £901,000.

It should be noted that the actuary has used an estimated value in respect of police staff employers pension contributions in arriving at the calculation of pension costs included in the comprehensive income and expenditure statement as disclosed in note 16.

A full valuation of the pension scheme liabilities was last undertaken as at 31 January 2021. This work has been updated for the 2024/2025 financial year by independent actuaries to the Somerset Council pension fund, who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police staff who are members of the fund as well as those who are already receiving pensions. The estimate of the duration of the employer's liabilities is 21 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police staff pensions has been made.

Life Expectancy from Age 65 Years		2024/2025	2023/2024
Current pensioners			
	Males	21.1	21.1
	Females	23.0	23.0
Retiring in 20 years			
	Males	224.0	22.4
	Females	24.4	24.4

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2023/2024 %		2024/2025 %
4.95	Discount rate	5.90
3.90	Rate of increase in salaries	3.85
2.90	Rate of increase in pensions in payment	2.85
3.15	Change in Retail Price Index (RPI)	0.10
2.90	Change in Consumer Price Index (CPI)	2.85

The return on the pension fund assets on a bid value basis for the year to 31 March 2025 is estimated to be 2.1%. The estimated value of the PCC's share of the fund's assets is £591,171,000 on a bid value basis (2023/2024 £564,523,000).

It should be noted that as interest rates have increased over recent periods, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £142m. The calculation assumes that:

- ✚ There is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- ✚ The Employer is a scheduled body and assumed to participate indefinitely
- ✚ Primary contributions are considered to be a minimum funding requirement
- ✚ The minimum funding requirement exceeds the current cost of accrual and so the potential economic benefit from future contribution reductions is nil
- ✚ An additional liability of £11,451k is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus
- ✚ The value of the asset ceiling is therefore (£11,451k).

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19.

The assets are made up of the following

2023/2024		Assets	2024/2025	
£'000	%		£'000	%
		Equities		
56,484	10.0	UK - Unquoted	65,279	11.1
338,905	60.0	Overseas - Unquoted	350,135	59.2
19,205	3.4	Private equity	23,738	4.0
414,594	73.4		439,152	74.0
		Gilts - Public Sector		
12,071	2.1	UK fixed interest	11,209	1.9
12,127	2.2	UK index linked	11,209	1.9
24,198	4.3		22,418	4.0
		Other Bonds		
45,735	8	UK	48,690	8.2
22,868	4.0	Overseas	24,345	4.1
68,603	12.0		73,035	12.0
40,572	7.2	Property	39,436	6.7
16,556	2.9	Cash (invested internally)	17,130	2.9
564,523	100	Total assets	591,171	100

The following amounts were measured in line with the requirements of IAS 19

2023/2024 £'000	Police Staff Pensions	2024/2025 £'000
564,523	Share of assets in pension fund	591,171
-45,861	Changes in Asset Ceiling	-142,000
-530,773	Estimated liabilities in pension fund	-460,622
-1,013	Estimated unfunded liabilities	-876
-13,124	Deficiency in fund	-12,327

The movement in the present value of schemes obligations for the year to 31 March 2025 is as follows

2023/2024 £'000	Present Value of Police Staff Liabilities	2024/2025 £'000
-521,032	Present value of defined obligations as at 1 April	-531,786
	Movements in the year	
-14,864	Current service cost	-17,921
17,771	Estimated benefits paid (net of transfers in)	16,933
-7,557	Contributions by scheme participants	-7,412
-24,264	Interest costs	-26,088
123	Unfunded pension payments	116
13,007	Change in financial assumptions	102,152
6,758	Change in demographic assumptions	1,277
-1,585	Experience loss(-)/gain on defined benefit obligations	1,244
-143	Past service cost, including curtailments	-13
-531,786	Present value of defined obligations as at 31 March	-461,498

The movement in the fair value of scheme assets for the year to 31 March 2025 is as follows

2023/2024 £'000	Fair Value of Police Staff Scheme Assets	2024/2025 £'000
487,693	Fair value of scheme assets as at 1 April	564,523
	Movements in the year	
25,613	Interest on assets	28,248
39,123	Return on assets less interest	-13,633
0	Other actuarial gain/loss(-)	0
-254	Administration expenses	-398
22,685	Contributions by employer	22,068
7,557	Contributions by scheme participants	7,412
-17,894	Estimated benefits paid (net of transfers in)	-17,049
564,523	Fair value of scheme assets as at 31 March	591,171

Further information in relation to the Police Staff Pension Scheme can be obtained from Peninsula Pensions, Great Moor House, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7NL.

18 Property, Plant and Equipment

Property, Plant and Equipment 2024/2025	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
As at 1 April 2024	204,873	52,457	1,503	3,929	262,762
Additions during year	5,116	11,400	933	0	17,449
Disposals	0	-3,163	0	0	-3,163
Reclassification	1,500	0	-1,359	-400	-259
Revaluation gain/loss (-)					
Recognised in revaluation reserve	2,452	0	0	-323	2,129
Recognised in surplus & deficit I&E	-3,239	0	0	-604	-3,843
As at 31 March 2025	210,702	60,694	1,077	2,602	275,075
Depreciation and impairment					
As at 1 April 2024	-2,142	-33,864	0	109	-35,897
Depreciation charge	-7,277	-9,816	0	-541	-17,634
Disposals *	0	2,942	0	0	2,942
Reclassification	168	0	0	5	173
Revaluation gain/loss (-)					
Recognised in revaluation reserve	5,238	0	0	25	5,263
Recognised in surplus & deficit I&E	1,616	0	0	444	2,060
As at 31 March 2025	-2,397	-40,738	0	42	-43,093
Net book value					
As at 31 March 2025	208,305	19,956	1,077	2,644	231,982
As at 31 March 2024	202,731	18,593	1,503	4,038	226,865

Property, Plant and Equipment 2023/2024	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
As at 1 April 2023	201,349	73,302	320	2,277	277,248
Additions during year	225	9,823	1,307	2,262	13,617
Disposals	0	-30,668	0	0	-30,668
Reclassification	124	0	-124	2	2
Revaluation gain/loss (-)					
Recognised in revaluation reserve	3,462	0	0	-477	2,985
Recognised in surplus & deficit I&E	-287	0	0	-135	-422
As at 31 March 2024	204,873	52,457	1,503	3,929	262,762
Depreciation and impairment					
As at 1 April 2023	-1,668	-55,911	0	0	-57,579
Depreciation charge	-6,710	-8,556	0	-558	-15,824
Disposals	0	30,603	0	0	30,603
Reclassification	0	0	0	0	0
Revaluation gain/loss (-)					
Recognised in revaluation reserve	5,199	0	0	667	5,866
Recognised in surplus & deficit I&E	1,037	0	0	0	1,037
As at 31 March 2024	-2,142	-33,864	0	109	-35,897
Net book value					
As at 31 March 2024	202,731	18,593	1,503	4,038	226,865
As at 31 March 2023	199,681	17,391	320	2,277	219,669

Nature of assets held as at 31 March 2024	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Owned	120,391	18,593	1,503	4,038	144,525
PFI	82,340	0	0	0	82,340
	202,731	18,593	1,503	4,038	226,865

Nature of assets held as at 31 March 2025	Land and Buildings	Vehicles, Plant, Machinery and Equipment	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Owned	128,049	19,956	1,077	2,644	151,726
PFI	80,256	0	0	0	80,256
	208,305	19,956	1,077	2,644	231,982

Capital Commitments

At 31st March 2025, the constabulary has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2025/2026 and future years budgeted to £2.4m. Similar commitments at 31st March 2024 were £7.5m. The major commitments are:

- ✚ Fleet - £1.1m
- ✚ Estates - £0.3m
- ✚ Equipment - £0.8m

19 Investment Properties

2023/2024 Investment Property £'000		2024/2025 Investment Property £'000
2,776	Balance at start of the year	2,789
	Additions:	
0	Purchases	0
0	Construction	0
0	Subsequent expenditure	0
0	Disposals	0
13	Net gain/loss from fair value adjustments	-168
	Transfers:	
0	to/from inventories	0
0	from property plant and equipment	0
2,789	As at 31 March	2,621

20 Right of Use Assets

The authority's lease contracts comprise leases of police stations and reprographic equipment. The table below describes the nature of the constabulary's leasing activities by type of right-of-use asset recognised on balance sheet. The reprographic equipment has been grouped as a single asset, as the equipment is part of a combined contract.

Right of Use Asset	No of Right of Use Assets Leased	Range of Remaining Term at 31 March 25	Average Remaining Lease Term at 31 March 25
Police buildings and offices	31	1 - 43 years	7 years
Reprographic equipment	1	<1 year	<1 year
Peppercorn buildings and offices	4	2 - 10 years	5 years

This table shows the change in the value of right-of-use assets held under leases by the authority

Right of Use Assets 2024/25	ROU Buildings £'000	ROU Plant & Equipment £'000	Total £'000
Cost or valuation			
As at 1 April 2024	0	0	0
Cumulative catch up	6,077	141	6,218
Additions during year	762	0	762
Disposals	0	0	0
Reclassification	0	0	0
Revaluation	-135	0	-135
As at 31 March 2025	6,704	141	6,845
Depreciation and impairment			
As at 1 April 2024	0	0	0
Depreciation charge	-1,116	-130	-1,246
Disposals	0	0	0
Reclassification	0	0	0
Revaluation	89	0	89
As at 31 March 2025	-1,027	-130	-1,157
Net book value			
As at 31 March 2025	5,677	11	5,688
As at 31 March 2024	0	0	0

Transactions Under Leases

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

2024-25	
£'000	
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	269
Expense relating to short-term leases	46
Expense relating to exempt leases of low-value items	2
Loss on fair value of peppercorn assets	46
Cash flow statement	
Lease payments	940

Lease Liabilities

The lease liabilities are due to be settled over the following time periods

	Buildings		Plant & Equipment		Total	
	1st April 24	31st March 2025	1st April 24	31st March 2025	1st April 24	31st March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Payments due within 1 year	1,070	1,088	139	11	1,209	1,099
Payments due between 1 and 5 years	3,071	2,737	10		3,081	2,737
Payments due after 5 years	2,412	2,528			2,412	2,528
Total undiscounted liabilities	6,553	6,353	149	11	6,702	6,364
less interest element	1,500	1,486	8	1	1,508	1,487
Present value of payments due within 1 year	1,016	1,034	132	10	1,148	1,044
Present value of payments due between 1 and 5 years	2,605	2,330	9	0	2,614	2,330
Present value of payments due after 5 years	1,432	1,503	0	0	1,432	1,503
Total present value obligation	5,053	4,867	141	10	5,194	4,877
Weighted average discount rate	5.1%	5.1%	5.6%	5.6%	5.2%	5.1%

21 Finance Leases – PFI

The PCC has a contract with the Blue Light Partnership for the provision of four facilities, which were built under a Private Finance Initiative (PFI). These buildings provide custody and operational facilities over the contract life, which runs until 30 March 2039. The contract includes the provision of services including building maintenance and provides for asset lifecycle replacement.

The financial implications of this contract commit the PCC to an annual unitary charge across the 25 year life of the contract. The UK Government (Home Office) has also committed to provide £186,979,000 capital funding (known as PFI Credits) in the form of annual grants over 25 years.

The building and site assets, as provided under the contract, remain the property of the Blue Light Partnership during the period of the contract and, with the exception of the shared specialist training centre, will become PCC assets at the end of the contract. The assets are recognised on our balance sheet and are matched initially by a liability to the Blue Light Partnership. This liability will continue to be written down over the life of the contract when payments which are identified as settling the liability, the capital element of the unitary charge, are made to the operator.

The specialist training centre is shared with Wiltshire and Gloucestershire police and so an adjustment has been made to reflect only our share of this asset and liability within the accounts.

The following tables show PFI assets and liabilities

2023/2024			PFI Assets	2024/2025	
PFI Buildings £'000	PFI IT Equipment £'000	Total £'000		PFI Buildings £'000	Total £'000
			Cost or valuation		
79,928	5,385	85,313	As at 1 April	82,365	82,365
0	0	0	Additions during year	598	598
0	-5,385	-5,385	Disposals	0	0
			Revaluation gain/loss (-)		
2,317	0	2,317	Recognised in revaluation reserve	-466	-466
120	0	120	Recognised in surplus & deficit I&E	-2,219	-2,219
82,365	0	82,365	As at 31 March	80,278	80,278
			Depreciation and impairment		
-11	-5,385	-5,396	As at 1 April	-25	-25
-2,973	0	-2,973	Depreciation charge	-3,280	-3,280
0	5,385	5,385	on Disposals	0	0
			Revaluation gain/loss (-)		
2,934	0	2,934	Recognised in revaluation reserve	2,918	2,918
25	0	25	Recognised in surplus & deficit I&E	365	365
-25	0	-25	As at 31 March	-22	-22
			Net book value		
82,340	0	82,340	As at 31 March	80,256	80,256

2023/2024 £'000	PFI Liabilities	2024/2025 £'000
	Balance brought forward	48,412
	Impact of remeasurement of lease liability for IFRS 16	480
49,693	Finance Liability as at 1 April	48,892
-1,281	Liability Paid in Year	-2,023
	Impact of re-measurement of lease liability due to indexation of future payments	118
48,412	Finance Liability at 31 March	46,987

The PFI lease liability has been remeasured during 2024/2025, in accordance with IFRS 16, as a change in the inflation index has caused a change in future lease payments.

Payments made in 2024/2025 and the index-linked amounts due for the remainder of the PFI contract after adjustment for the Gloucestershire and Wiltshire share of the specialist training centre are as follows

PFI Charges	Service Charge	Lifecycle Replacement Costs	Interest Charge	Liability
	£'000	£'000	£'000	£'000
Rental paid 2024/2025	2,508	853	3,887	2,023
Rentals payable in future years				
Within 1 year	2,582	1,060	3,735	2,014
Within 2-5 years	10,320	4,866	13,179	9,195
Within 6-10 years	12,952	5,636	11,821	16,547
Within 11-15 years	10,281	4,046	4,008	19,230
Within 16-20 years	0	0	0	0
Total	36,135	15,608	32,743	46,986

22 Debtors and Payments in Advance

These balances reflect amounts owed to the PCC and payments made in advance for goods and services at the end of the year. It is expected that amounts owed will be received within 12 months of the year end date.

PCC	Total 2024	Debtors and Payments in Advance	PCC	Total 2025
£'000	£'000		£'000	£'000
59,256	59,256	Trade debtors	40,528	40,528
13,619	13,619	Prepayments	5,986	5,986
30	30	Other	25	25
72,905	72,905	Balance as at 31 March	46,539	46,539

23 Cash and Cash Equivalents

2024	Cash and Cash Equivalents	2025
£'000		£'000
77	Cash in hand	77
-3,470	Bank Overdraft	-4,010
9,360	Short term deposits	36,050
5,967	Balance as at 31 March	32,117

24 Loans Still to be Repaid

Loans outstanding at the balance sheet date include amounts owing to the Public Works Loan Board (PWLb), amounts owing to other lenders under the terms of Lender Option Borrower Option (LOBO), amounts owing to lenders under the terms of a fixed term loan and amounts owing to Salix Finance Ltd in respect of finance provided for the purchase of LED lighting.

No new Salix loans were taken out this year. At 31 March 2025 £27,445.90 is outstanding. They are both interest free loans over a period of five years provided to support energy efficiency, and it is anticipated that the energy savings will offset the loan repayments.

2024 £'000	Loans to be Repaid	2025 £'000
8,922	Within one year	1,137
1,137	Between one and two years	1,800
6,120	Between two and five years	7,804
3,549	Between five and 10 years	9,968
27,288	More than 10 years	20,159
47,016	Total	40,868
	Less:	
-8,922	Transferred to short term borrowings (repayable in 2025/2026)	-1,137
38,094		39,731

25 Creditors and Receipts in Advance

These balances reflect amounts owed by the PCC and amounts received in advance. It is expected that these liabilities will be paid within 12 months of the end of the reporting period.

OCC £'000	PCC £'000	Total 2024 £'000	Creditors and Receipts in Advance	OCC £'000	PCC £'000	Total 2025 £'000
0	13,730	13,730	Trade creditors	0	15,034	15,034
0	872	872	Receipts in advance	0	1,305	1,305
14,570	14,169	28,739	Accruals	12,864	15,271	28,135
0	2,600	2,600	Other	0	2,177	2,177
14,570	31,371	45,941	Balance as at 31 March	12,864	33,787	46,651

26 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2024 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2025 £'000
Insurance	8,653	0	-1,025	2,573	10,201
Legal services	548	-470	-197	1,455	1,336
Lease provision Dilapidations	0	0	0	766	766
Ill-health & termination benefits - OCC	616	0	-616	0	0
Overtime liability - OCC	3,918	0	-1,658	141	2,401
	13,735	-470	-3,496	4,935	14,704

As at 31 March 2025, the insurance provision has increased to £10,201,000, following the annual review carried out by Marsh, the insurance specialists. This provision is to meet specific known potential liabilities and anticipated future losses, based upon an actuarial valuation of the discounted insurance liabilities as at 31 March 2025 and the paid and outstanding claims position as at this date. Due to the introduction of the IFRS 16 lease standard, there is a new provision for the dilapidations of lease premises.

The legal services provision of £1,336,000 represents an estimate of the legal costs associated with the outcome of outstanding legal cases.

The following provisions have been included in the accounts of the OCC

- ✚ The overtime liability provision at 31 March 2025 is in respect of claims for overtime worked in prior years.

27 Contingent Liabilities

We have reviewed the position in respect of contingent liabilities as at 31 March 2025.

Annual assessments are carried out to manage our key risks and set the level of our reserves. As a result, the following contingent liabilities have been identified

27.1 McCloud/Sargeant Compensation claims

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

27.2 Other Pension cases

There is one further case which has been included in the report from our actuaries

Goodwin Case – This case relates to differences between survivor benefits payable to members with same-sex or opposite-sex survivors and has been identified in several public sector pension schemes. There is not yet a remedy in place and our actuaries have not made allowances for the impact of this within the liabilities existing at 31 March 2025 due to there being insufficient information upon which to make an accurate estimation.

28 Funds and Reserves

28.1 Revenue Reserves and General Fund

The general fund is split between specific earmarked reserves and the general fund as follows

Revenue Reserves 2024/2025	Balance 1 April 2024	Reserves Used in Year	Transfers to Reserves in Year	Balance 31 March 2025
	£'000	£'000	£'000	£'000
Carry forwards Reserve	90	-210	152	32
Operations Reserve	1,500	0	0	1,500
Overtime liability Reserve	1,000	0	0	1,000
Buildings and sustainability Reserve	290	0	0	290
General Revenue Smoothing Reserve	1,779	-3,380	2,953	1,352
New PCC Reserve	739	-99	0	640
Total discretionary reserves	5,398	-3,689	3,105	4,814
SW ROCU Reserve	398	-398	455	455
Proceeds of crime Reserve	654	-200	34	488
Police Property Act Reserve	496	-117	174	553
Grants carried forward Reserve	2,253	-1,960	1,678	1,971
Hinkley Point Reserve	683	-734	859	808
Road safety Reserve	655	-314	0	341
LRF Reserve	282	-148	144	278
Victim support services Reserve	2,574	-1,127	0	1,447
Miscellaneous Reserve	102	-622	785	265
Regional programme Reserve	172	-171	311	312
Pension Fund McCloud Reserve	88	0	467	555
Total non-discretionary reserves	8,357	-5,791	4,907	7,473
Capital financing Reserve	14,610	-4,211	0	10,399
Earmarked capital Reserve	400	-381	0	19
PFI change Reserve	457	0	0	457
Sinking fund Reserve	5,191	-171	223	5,243
ESMCP Reserve	734	0	0	734
Total capital and PFI reserves	21,392	-4,763	223	16,852
Total earmarked reserves	35,147	-14,243	8,235	29,139
General Fund	12,000	0	0	12,000
Total General Fund Balance	47,147	-14,243	8,235	41,139

Revenue Reserves 2023/2024	Balance 1 April 2023	Reserves Used in Year	Transfers to Reserves in Year	Balance 31 March 2024
	£'000	£'000	£'000	£'000
Carry forwards Reserve	160	-70	0	90
Operations Reserve	1,500	0	0	1,500
Overtime liability Reserve	1,000	0	0	1,000
Buildings and sustainability Reserve	290	0	0	290
General Revenue Smoothing Reserve	2,806	-1,027	0	1,779
New PCC Reserve	930	-191	0	739
Total discretionary reserves	6,686	-1,288	0	5,398
SW ROCU Reserve	132	0	266	398
Proceeds of crime Reserve	818	-164	0	654
Police Property Act Reserve	275	0	221	496
Grants carried forward Reserve	1,982	0	271	2,253
Hinkley Point Reserve	890	-207	0	683
Road safety Reserve	1,323	-668	0	655
LRF Reserve	336	-54	0	282
Victim support services Reserve	2,762	-188	0	2,574
Miscellaneous Reserve	110	-8	0	102
Regional programme Reserve	221	-49	0	172
Pension Fund McCloud Reserve	88	0	0	88
Total non-discretionary reserves	8,937	-1,338	758	8,357
Capital financing Reserve	21,002	-7,385	993	14,610
Earmarked capital Reserve	131	-203	472	400
PFI change Reserve	457	0	0	457
Sinking fund Reserve	5,099	-63	155	5,191
ESMCP Reserve	765	-31	0	734
Total capital and PFI reserves	27,454	-7,682	1,620	21,392
Council tax income guarantee Reserve	209	-209	0	0
Total earmarked reserves	43,286	-10,517	2,378	35,147
General Fund	12,000	0	0	12,000
Total General Fund Balance	55,286	-10,517	2,378	47,147

The carry forward balance represents the cost of goods and services not received as at 31 March, as well as amounts set aside for specific purposes.

The **Operations reserve** can be used at the chief officers' discretion to manage risk associated with the reactive nature of policing work.

The **Overtime Liability reserve** is the estimate of the cost of historic overtime which is due to be paid with the introduction of new rules for the more timely payment of overtime.

The **Buildings and Sustainability reserve** is held to capture any underspend in relation to our buildings repairs and maintenance budgets, so that these funds can be used in future years to

support necessary work on our estate. It is also used to support projects and initiatives which will reduce and make more efficient our use of natural resources.

The **General Revenue Smoothing reserve** was established as part of the 24/25 MTFP to reflect the inflationary challenges in future financial years.

The **New PCC reserve** has been established to provide funds to help support the new PCC's programme during their first year in office.

The **SW ROCU reserve** is a regional collaboration set up to destroy, dismantle and disrupt serious and organised crime across the South West of England. The SW ROCU reserve has been created to set aside carry forward balances for specific purposes on this collaboration.

The **Proceeds of Crime reserve** is used to hold funding received as a result of our work in the seizure and confiscation of assets we believe to have been gained through criminal activities. The funding is used to support our continued work in this area.

The **Police Property Act reserve** operates a holding account for seized monies and the sale proceeds of seized and unclaimed property under the Police (Property) Regulation 1997 where the case has been concluded against the suspect. The balance on the reserve can be used for a number of specific purposes, which include the further support of the administration of evidential property within the force, as well as for charitable purposes.

The **Grants Carried Forward reserve** is used to hold grants income, where it is considered that the terms and conditions of the grant have been met.

The **Hinkley Point reserve** is to cover the cost of both the neighbourhood and protest policing at the site of the new Hinkley Point power station.

The **Road Safety Fund** is the surplus of funds received from the speed enforcement unit and will be used to support road safety initiatives.

The **Local Resilience Forum (LRF) reserve** is the balance for various partners from public agencies as Avon and Somerset are the co-ordination point for this forum.

The **Victim Support Services reserve** is the balance of the funding specifically received to enable victim support commissioning to be undertaken.

The **Miscellaneous reserve** contains funding that has been received from various sources that is required to be used for specific purposes.

The **Regional Programme reserve** has been created to set aside carry forward balances for specific regional collaboration purposes.

The **Pension fund McCloud reserve** has been created to hold the funding received to support the implementation of the McCloud remedy over coming years.

The **Capital Financing reserve** has been created to help manage the forward funding of the capital programme to reduce the reliance on external borrowings.

The **Earmarked Capital reserve** balance is held to meet the capital commitment on several ongoing schemes.

The **PFI change reserve** resulted from the delays in the availability of the PFI buildings, and will provide a fund to manage future one off costs as issues arise.

The **Sinking Fund** will be used over the life of the PFI contract to equalise the phasing of the government grant income and expenditure on the unitary charge.

The **ESMCP reserve** holds grants received to assist with funding the national project for airwave replacement, which has been subject to several delays.

The **General Fund** represents the risk assessed balances held by the PCC to meet unforeseen future events.

28.2 Capital Reserves

The revaluation reserve represents the difference between the current valuation and the original cost of our assets.

The capital adjustment account provides a balancing mechanism between the different rates at which assets are depreciated and are financed.

It should be noted that the revaluation reserve and the capital adjustment account are matched by fixed assets within the balance sheet and are not resources available to the PCC.

The usable capital receipts reserve represents the amounts received from the sale of capital assets held to fund future capital purchases.

You can find the details of the movement on these reserves in the notes to the movements in reserves statement.

29 Capital Financing

2023/2024 £'000	Capital Expenditure and Financing	2024/2025 £'000
93,511	Opening capital financing requirement	93,893
	Opening balance adjustment for right of use assets	6,698
	Less donated asset gain posted direct to capital adjustment account	-397
	Capital investment	
13,618	Property, plant and equipment	16,851
	Lease additions	880
	Sources of finance	
-146	Capital receipts	-412
-48	Government grants and contributions	-459
-2,701	Revenue contributions	-7,198
-7,202	Earmarked reserves	-4,593
-3,139	Minimum revenue provision	-4,821
-13,236		-17,483
93,893	Closing capital finance requirements	100,442
	Explanation of movements in year	
382	Increase/decrease(-) in underlying need to borrow	6,549
382	Increase/decrease(-) in capital financing requirement	6,549

30 Financial Instruments

The liabilities and investments disclosed in the balance sheet are made up of the following categories of financial instruments.

30.1 Categories of Financial Instruments

Financial liabilities 2024/2025	Current			Non-current	Total 31st March 2025 £'000
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	
Fair value through profit or loss	0	0	0	0	0
Amortised cost	4,010	1,137	25,477	39,731	70,356
Total financial liabilities	4,010	1,137	25,477	39,731	70,356
Other liabilities not defined as financial instruments:					
Tax	0	0	8,310	0	8,310
OCC payroll accruals	0	0	12,864	0	12,864
Total	4,010	1,137	46,651	39,731	91,530

Financial liabilities 2023/2024	Current			Non-current	Total 31st March 2024 £'000
	Bank overdraft £'000	Borrowings £'000	Creditors £'000	Borrowings £'000	
Fair value through profit or loss	0	0	0	0	0
Amortised cost	3,470	8,922	24,703	38,094	75,189
Amortised cost - PFI liabilities	0	1,938	0	46,474	48,412
Total financial liabilities	3,470	10,860	24,703	84,568	123,601
Other liabilities not defined as financial instruments:					
Tax	0	0	6,668	0	6,668
OCC payroll accruals	0	0	14,570	0	14,570
Total	3,470	10,860	45,941	84,568	144,839

Note – PFI Liabilities are now included within the new lease's standard as shown in note 21

Financial assets 2024/2025	Current Cash and cash equivalents £'000	Investment s £'000	Debtors £'000	Total 31st March 2025 £'000
Fair value through profit or loss	11,050	2,692	0	13,742
Amortised cost	25,077	13,000	36,108	74,185
Total financial assets	36,127	15,692	36,108	87,927
Other assets not defined as financial instruments:				
VAT	0	0	4,446	4,446
Payments in advance	0	0	5,985	5,985
Total	36,127	15,692	46,539	98,358

Financial assets 2023/2024	Current Cash and cash equivalents £'000	Investment s £'000	Debtors £'000	Total 31st March 2024 £'000
Fair value through profit or loss	1,360	2,600	0	3,960
Amortised cost	8,077	25,000	55,221	88,298
Total financial assets	9,437	27,600	55,221	92,258
Other assets not defined as financial instruments:				
VAT	0	0	4,065	4,065
Payments in advance	0	0	13,619	13,619
Total	9,437	27,600	72,905	109,942

30.2 Financial Liabilities

As the financial liabilities are not held for trading, they are all initially measured at fair value and subsequently carried at their amortised cost. The fair value of the financial liabilities may therefore differ from their carrying value. The fair value of the PWLB loans has been assessed at £22,988,517 (31 March 2024 £25,873,680) compared with a book value of £29,066,442 (31 March 2024 £30,176,091). The fair value of LOBO loans has been assessed at £4,995,442 (31 March 2024 £5,897,417) compared with a book value of £5,275,000 in both years. Under the terms of these loans the lender has the option to vary the interest rate at specified points in time. These loans are detailed in the following table

	31 March 2025		31 March 2024	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities held at amortised cost				
Borrowings - PWLB loans	27,957	22,989	30,176	25,874
Borrowings - LOBO loans	11,775	4,995	5,275	5,897
Borrowings - other	1,137	6,126	11,564	11,360
Bank Overdraft	4,010	4,010	3,470	3,470
Creditors	25,477	25,477	24,703	24,703
Total	70,356	63,597	75,188	71,304

The fair value of PWLB, LOBO, and fixed term loans has been assessed using level 2 inputs according to the fair value hierarchy. The economic effects of the terms agreed have been compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the difference in the interest the authority will pay for the remaining terms of the loans under their agreement, against what would be paid if the loans were at prevailing market rates.

The PFI lease liability has been remeasured during 2024/2025, in accordance with IFRS 16, as a change in the inflation index has caused a change in future lease payments.

Short term creditors are carried at cost and this is a fair approximation of their value.

Lender Option Borrower Option (LOBO)							
	Drawdown		Period	Next	End Date	Interest	
2024	Date	2025		Option		Rate	
£'000		£'000		Date		%	
2,500	30/01/2008	2,500	70 yrs	30/01/2028	31/01/2078	3.99	
2,775	12/02/2008	2,775	70 yrs	12/02/2025	14/02/2078	4.10	
5,275	Total	5,275					

30.3 Financial Assets

The PCC's Treasury Management model is to hold assets in order to collect contractual cash flows. The contractual terms of the PCC's financial assets give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding. Therefore the financial assets are all initially measured at fair value and carried at amortised cost.

The carrying value of the financial assets may differ from their fair value. Whereas the carrying amount for investments and cash equivalents is the outstanding principal, the fair value is calculated by applying the appropriate discount rate to derive the present value of expected future cash flows.

	31 March 2025		31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Financial assets held at amortised cost				
Cash and cash equivalents	25,077	24,935	8,077	8,414
Investments - Short term	13,000	12,758	25,000	25,969
Debtors	36,108	36,108	55,221	55,221
Total	74,185	73,801	88,298	89,604
Financial assets held at Fair Value				
Cash and cash equivalents	11,050	13,742	4,360	3,960
Investments - Short term	2,692	2,692	2,600	2,600
Total	13,742	16,434	6,960	6,560

At 31 March 2025 the fair value is assessed as level 1 for cash and cash equivalents held at amortised cost and fair value at £35,985,023 and short term investments at £15,408,408. This compares with a book value of £36,127,000 for cash and equivalents and a book value of £15,650,000 for short term investments. Short term debtors are carried at cost and this is a fair approximation of their value.

30.4 Income, Expense, Gains and Losses

The gains and losses recognised in the comprehensive income and expenditure statement in relation to financial instruments are made up as follows

	Financial Liabilities		Financial Assets	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Interest payable and similar charges (excluding PFI)	1,529	1,542	0	0
Interest and investment income	0	0	4,330	3,724

30.5 Risks Arising from Financial Instruments

The nature and extent of risks arising from financial instruments can be classified under the following headings

- ✚ **Credit risk** - the possibility that other parties may fail to pay amounts due to the PCC.
- ✚ **Liquidity risk** - the possibility that the PCC might not have funds available to meet its commitments to make payments.

- ✚ **Market risk** - the possibility that financial loss might arise for the PCC as a result of changes in measures such as interest rates and stock market movements.

30.6 Credit Risk

Credit risk arises from deposits with banks and financial institutions as well as credit exposures to customers.

Treasury management services are provided by Somerset Council. Any surplus cash is invested temporarily by the PCC's treasury management providers with specified financial institutions, money market funds, or other Government or public sector bodies. In order to ensure the PCC's risk exposure is minimised, credit ratings are monitored on an ongoing basis, and individual counterparty ratings are verified on the day of investment. As directed by the revised CIPFA Treasury Management Code, account is taken using ratings issued by three main rating agencies, Fitch, Moody's, and Standard & Poor's. Decisions are taken based on the lowest of these ratings. It should also be noted that a range of additional indicators are used to assess counterparty credit worthiness including for example credit default swaps, Government guarantees and support, and share price. All investments are held in sterling deposits and are rated as per the lending Counterparty Criteria approved each year by the PCC.

At 31 March 2025 investments can be analysed as follows

Credit Rating	31 March 2024 £'000	Default %		Credit Rating	31 March 2025 £'000	Default %
AAA	1,360	0.11	Deposits with Money Market Funds	AAA	11,050	0.11
AA-	33,000	0.07	Deposits with local authorities	AA-	38,000	0.07
A	0	0.00	Deposits with UK banks	A+	0	0.00
AA-	0	0.00	Deposits with Overseas banks	AA-	0	0.00
N/A	3,000	0.00	CCLA property fund	N/A	3,000	0.00
	37,360		Total		52,050	

Debtors, classified at amortised cost, are due within one year with no interest being payable. As such the fair value of these receivables is the same as the original invoice amount. They include £2,787,082 pension fund account debtor with the Home Office (2023/2024 £26,519,494).

The PCC does not generally allow credit for customers. With the exception of those debts where recovery is certain the PCC will put through trade receivable expected losses for all debtors greater than 6 months old and 10% of those debtors between three and 6 months. At 31 March 2025 the total value of these provisions was £75,064 (31 March 2024 £34,959). The remaining value of debtors less these provisions can be analysed as follows

31 March 2024 £'000	Unimpaired Debtors	31 March 2025 £'000
1,937	Less than three months	1,281
67	Over three months	61
2,004		1,342

30.7 Liquidity Risk

The PCC has a comprehensive cash flow management process managed on our behalf by Somerset Council that seeks to ensure that cash is available as needed. At 31 March 2025 the PCC had £14,050,000 (31 March 2024 £4,360,000) in call accounts and money market funds available to manage short term liquidity requirements. The PCC had a further £38,000,000 invested for a period of up to one year from the balance sheet date (31 March 2024 £33,000,000).

30.8 Market Risk

30.8.1 Interest Rate Risk

The PCC is exposed to risk in terms of interest rate movements on investments. A 0.5% change in interest rates could increase or reduce investment income by £24,525 based on the current level of investments.

All borrowing is currently at fixed rates and there is therefore no interest rate exposure. In respect of the LOBO loans taken in 2008 there are no step changes in interest specified in the loan agreements and therefore no adjustment to the carrying value of the loans is required.

30.8.2 Price Risk

The PCC does not invest in equity shares other than in the Police Staff Pension Scheme (note 17). This means that the PCC has no exposure to price risk outside of the Local Government Pension Scheme.

30.8.3 Foreign Exchange Risk

The PCC has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to losses arising from movements in exchange rates.

Police Officer's Pension Fund Account Statements

This fund includes the income and expenditure in respect of police officer's pensions which has been accounted for on an accruals basis. At the end of the financial year if the expenditure on the pension benefits is greater than the contributions received during the year, the PCC makes a payment to the pension fund and the Home Office pays a top-up grant for this liability to the PCC. The income received and expenditure paid to the pension fund is shown within the comprehensive income and expenditure statement, showing the net figure as nil. It should be noted that this statement does not take account of liabilities to pay pensions and other benefits after the year end.

This note provides a more detailed breakdown of the figures shown in note 16 of the accounts

2023/2024 £'000	Police Officers Pension Fund Account	2024/2025 £'000
	Contributions receivable	
	Employers contributions:	
-39,477	35% contributions	-47,403
-175	Ill health/early retirements	-1,391
-39,652		-48,794
	Employee contributions	
-10	1987 Police Pension Scheme	-305
-1	2006 Police Pension Scheme	-1
-17,006	CARE Police Pension Scheme	-18,000
-17,017		-18,306
-997	Transfers in from other schemes	-736
	Benefits payable	
98,193	Pensions	105,944
17,249	Commutations and lump sum retirement benefits	16,637
115,442		122,581
	Payments to and on account of leavers	
148	Refund of contributions	282
159	Transfers out to other schemes	3
523	Other	1,699
830		1,984
58,606	Net amount payable for the year	56,729
0	Additional contribution from the local policing body	0
-58,606	Transfer from Police Fund to meet deficit	-56,729
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2025

31 March 2024 £'000	Pension Fund Net Assets	31 March 2025 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<hr/>		<hr/>
0	Net assets	0
<hr/>		<hr/>

Glossary of Terms

Term	Definition
ACC	Assistant Chief Constable
Accounting policies	These are a set of rules and codes of practice we use when preparing the accounts
APCC	The Association of Police and Crime Commissioners
APACCE	Association of Policing and Crime Chief Executives
Balance Sheet	This represents our overall financial position as at 31 March
Capital programme	This is a list of projects for buying or improving fixed assets
Cash Flow Statement	Summarises the income and outgoings of cash during the financial year
CC	Chief Constable
CCLA Property Fund	Churches, Charities and Local Authorities property fund. Manages investments for charities, religious authorities and the public sector
CFO	Chief Financial Officer
CIES	Comprehensive Income and Expenditure
CIPFA	Chartered Institute of Public Finance and Accountancy
CMB	Constabulary Management Board
Collection fund adjustment account	Difference between council tax cash received and the amount shown in the comprehensive income and expenditure statement
Comprehensive Income and Expenditure Statement	Summarises the income and expenditure during the financial year within the PCC's statement of accounts
Contingent liabilities	A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity
Creditors	Amounts which are owed to others
CSP	Community Safety Partnerships
CTSFO	Counter Terrorism Specialist Firearms Officers
Current service cost	The value of projected retirement benefits earned by pension scheme members in the current financial year
Debtors	Amounts which are due from others
Depreciation	An amount set aside to pay for the gradual loss in value of our assets
DLUHC	The Department for Levelling Up, Housing, and Communities, formerly the Ministry of Housing, Communities and Local Government
The Drive Project	The Drive Project challenges and supports high-harm, high-risk perpetrators to change whilst working closely with partner agencies – like the police and social services – to manage risk and disrupt abuse
ERP	Enterprise Resource Planning
Expenditure and Funding Analysis	This shows the performance reported and the adjustments made to reconcile to the comprehensive income and expenditure statement

Term	Definition
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction
Financial instruments	Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity
Financial year	Refers to the period covered by the accounts and runs from 1 April to 31 March
Fixed assets	These are items such as land, buildings, vehicles and major items of equipment, which give benefit to us for more than one year
GAAP	Generally Accepted Accounting Principles. These refer to the standard framework of guidelines for financial accounting used in any given jurisdiction and generally known as accounting standards
GSB	Governance and Scrutiny Board
GSC	Government Security Classification
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy
IAS	International Accounting Standard. An international accounting standard to help harmonise company financial information across international borders. Subsequently superseded by International Financial Reporting Standards (IFRS)
I&E	Income and Expenditure Account
ICT	Information, Communications and Technology
IFRS	International Financial Reporting Standards. A set of international accounting and reporting standards that will help to harmonise company financial information across international borders
Intangible fixed assets	Assets that are not physical such as software licences
IOPC	Independent Office for Police Conduct
IPM	Independent Panel Member
IT	Information Technology
JAC	Joint Audit Committee
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LOBO loans	Lender Option Borrower Option loans are where the interest payable is agreed at the time the money is borrowed. If the lender wants to change the interest rate the borrower has the choice to pay at the new rate or repay the loan
LQC	Legally Qualified Chair
LRF reserve	Local Resilience Forum reserve
Minimum revenue provision	This is the lowest amount allowed by the Government which has to be charged to the accounts for repaying loans
Movement in Reserves Statement	Summarises the movement in the reserves of the OCC during the financial year
MTFP	Medium Term Financial Plan
OCC	Office of the Chief Constable

Term	Definition
OPCC	Office of Police and Crime Commissioner Staff employed by the Police and Crime Commissioner
PACCTS	Police and Crime Commissioners Treasurer's Society
PCC	Police and Crime Commissioner for Avon and Somerset
PCC Group	The term PCC Group refers to the Police and Crime Commissioner (PCC) for Avon and Somerset and the office of the Chief Constable (OCC)
PCSO	Police Community Support Officer
PFI	Private Finance Initiative
POCA	Proceeds of Crime Act
Police pension top-up grant	The OCC operates a Pension Fund, which is balanced to nil at the end of the year. The PCC receives a top-up grant from the Home Office equal to this deficit to balance the fund
Police revenue grant	The revenue grant is provided by the Home Office as part of the funding required by an authority to finance a budget in line with the Governments assessment. The balance of funding is from business rates, revenue support grant and council tax
Precept	The amount of council tax collected on the PCC's behalf by local billing authorities
Prepayment	A payment in advance for goods or services
Provision	This is the money we keep to pay for known future costs
PWLB	This is the Public Works Loan Board, which is an organisation financed by the Government. It lends money to PCC's on set terms so that they can buy capital items
Receipt in advance	Income received in advance of the financial year in which the services will be provided
Revaluation reserve	This account represents the increase in value of our assets since 1 April 2007 over the amount originally paid for them
Seconded officers	These are police officers and staff who, for agreed periods, temporarily work for other organisations. Their salaries and expenses are shown as expenditure and the money the organisation pays us for their placements is shown as income
SOLACE	Society of Local Authority Chief Executives
Soteria/Bluestone	The national operating model for the investigation of rape and serious sexual offences (RASSO) arose from the work of Operation Soteria Bluestone
SWAP	South West Audit Partnership
SWPPS	South West Police Procurement Service
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
VRU	Violence Reduction Units