CHIEF CONSTABLE FOR DERBYSHIRE

DRAFT STATEMENT OF ACCOUNTS 2025/26

SUBJECT TO AUDIT AND SUBJECT TO CHANGE

CHIEF CONSTABLE FOR DERBYSHIRE
STATEMENT OF ACCOUNTS
YEAR END 31 March 2026

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NARRATIVE REPORT

Introduction

The Narrative Report provides an overview of Derbyshire Constabulary's financial and non-financial performance during 2025/26. It explains the context in which the Constabulary has operated, highlights key external factors affecting performance, and sets out the financial outlook for future years.

It also explains what the core financial statements mean and explains how the notes to the accounts provide the reader with the detailed information to support the core statements.

External Environment

Derbyshire Constabulary serves an area of more than 1,000 square miles, and a population around one million.

Derbyshire is renowned for being hugely diverse. It encompasses the rural areas of the High Peak, Derbyshire Dales and the Derwent Valley, a World Heritage Site. These areas attract a significant amount of tourism throughout the year. In addition, there are old mining communities, modern towns and business centres. It is also home to the vibrant and culturally diverse city of Derby, a cosmopolitan city with a fantastic heritage.

Organisational Model

Policing in Derbyshire is divided into two geographic areas known as Divisions. Each Division is headed by a Chief Superintendent, known as the Divisional Commander, who is responsible for the overall policing of the area. Divisions are divided further into a series of Local Policing Units, led by an inspector. Within each policing unit sit our Safer Neighbourhood teams. Safer Neighbourhoods are about police and partners working with the public to identify and deal with issues of concern in their neighbourhood. These areas are patrolled by police officers, special constables and police community support officers (PCSOs). Local policing is complemented by a range of support units and departments that operate across the Constabulary. These include the Contact Management Centre that answers 999 and non-emergency telephone calls, our roads policing section, dog section, National Police Air Service (NPAS), criminal justice, crime investigation and the forensic officers who work in our scientific support unit.

Derbyshire Constabulary employs approximately 2,154 police officers, 162 PCSOs and 209 Specials/Volunteers and 1,620 staff in full-time and part-time positions (excluding staff of the Commissioner). Active recruitment plans include positive action to improve the diversity and reflect more closely that of the County.

Collaboration

The five police forces in the East Midlands region have been working together for over a decade in many different areas of operational and non-operational policing. The five Forces are facing considerable new risks in respect of the changing nature of crime, the breadth of demand on policing services and for some the fact that significant financial challenges still remain. There is a strong belief in the East Midlands that collaboration is not only pragmatic but continues to demonstrate value for money, whilst enhancing the way the police service in the region does business.

Police collaboration in the East Midlands has a number of significant benefits to police officers, staff and residents right across the region:

- Greater resilience.
- Increased capability.
- Reduced bureaucracy.
- Reduced cost.

The East Midlands Special Operations Unit collaboration are Serious and Organised Crime, Major Crime, Forensics, Learning and Development and Legal Services.

Derbyshire Constabulary and Leicestershire Constabulary also operate a joint HR Shared Service and a Joint Payroll Shared Service.

Derbyshire Constabulary has embraced the benefits brought by closer collaboration with the Fire and Rescue Service. The Force has a joint headquarters building and training centre with Derbyshire Fire and Rescue Service. There was a joint Head of Strategic Assets until December 2023 and there is now a joint Property team. The sharing of estates with Derbyshire Fire and Rescue Service has saved significant costs in refurbishing or rebuilding existing police stations and is captured in the Asset Management Plan. There are a number of co-locations with further reviews in the future of other opportunities. This collaboration increases the familiarity between emergency personnel, which helps them work better together when needed. Finally, co-location enables better information sharing, which improves the service to the local community. The Force is currently finalising the details for a joint Procurement Team which will enable more opportunities for joint contracts.

Organisational Overview

Derbyshire Constabulary has continued to maintain a strong momentum, observing positive change, performance improvement and development across all areas of the force. The ongoing drive throughout the organisation is premised upon our commitment to delivering an excellent service to the communities of Derbyshire, one they can trust. Our core purpose is to fight crime, proactively bring offenders to justice and protect the most vulnerable from harm.

During 2025/26, the Force sustained the achievements of the Police Officer Uplift Programme (PUP) by maintaining the original uplift target of 283 additional officers, alongside the additional 27 officers allocated through the top-up-grant. This ensured that the target officer headcount of 2137 officers were maintained.

In addition to the PUP grant, the Government announced the Neighbourhood Policing Grant as part of the 2025/26 funding settlement, supporting its pledge to put 13,000 additional Police Officers, PCSO's and Special Constables into neighbourhood policing roles, Derbyshire successfully secured funding for an additional 35 neighbourhood policing officer posts and achieved full delivery against the grant requirements.

Governance

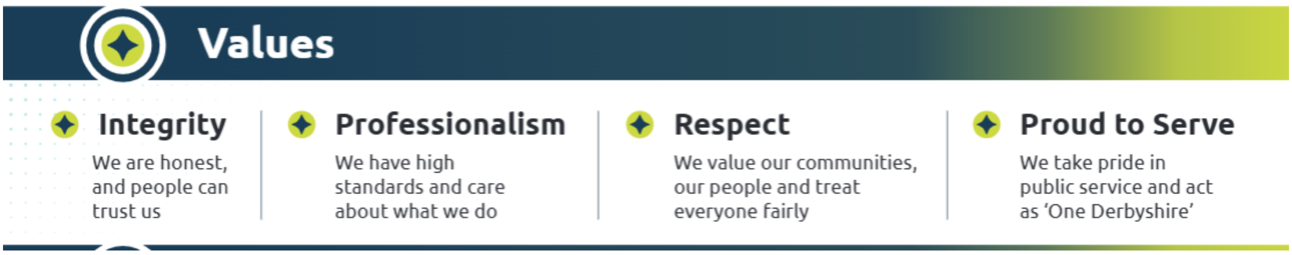
The Police and Crime Commissioner and the Chief Constable are established as separate legal entities under the Police Reform and Social Responsibility Act 2011. This Act created a Police and Crime Commissioner for Derbyshire (PCC), known as the 'Commissioner' and at the same time the Chief Constable was established as a separate body with responsibility for Derbyshire Constabulary.

The primary function of the body headed by the Chief Constable is the exercise of operational policing duties under the Police Act 1996. The Commissioner's function is to hold the Chief Constable to account for the exercise of these duties, thereby securing the maintenance of an efficient and effective police service in Derbyshire.

More detail on the governance framework comprising the systems and processes, culture and values by which Derbyshire Police is directed and controlled are contained within the Annual Governance Statement, which accompanies the Chief Constable's Statement of Accounts.

The Force Strategic Plan

In 2024 we introduced new values, chosen by our workforce which represented what is most important to them.



In 2025 we have continued our journey to deliver our vision to be an outstanding force, supported by our One Derbyshire Plan for 2023-25. The One Derbyshire Plan is intended to deliver cultural and organisational improvement through five key work streams. These are:

- Leadership
- Internal Communication and Engagement,
- Wellbeing, Learning and Development of staff
- and Standards and Behaviours.

In January 2025 a project commended to develop the Force Strategic Plan 2025-2029. The draft Force Strategic Plan 2025-2029 was launched in November 2025 and was finalised in June 2026. The Force Strategic Plan has maintained the Force values and set its strategic priorities as preventing harm, responding to the public, safeguarding communities and investigating crime.

Basis for Preparation

For accounting purposes, the Commissioner and Chief Constable together are known as the PCC Group. A separate set of statutory accounts has been published for the Commissioner and PCC Group to recognise all the financial transactions incurred during 2025/26 for policing in Derbyshire.

The 2025/26 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting 2025/26. The Accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include: -

- The Police Reform and Social Responsibility Act 2011 (the Act).
- Accounts and Audit (England and Wales) Regulations 2015 & Accounts and Audit (Amendment) Regulations 2022.
- The Home Office Financial Management Code of Practice for the Police Service of England and Wales 2018.
- Scheme of Consent between the Commissioner and Chief Constable.
- The Financial Handbook of the Commissioner and Chief Constable.

The Accounts reflect that the Commissioner has responsibility for the finances of the whole Group and control of all land and buildings, liabilities and reserves. The Commissioner receives all income and funding and makes all the payments for the Group from the Police Fund. In turn the Chief Constable fulfils their functions under the Act within an annual budget (set by the Commissioner in consultation with the Chief Constable). A scheme of consent is in operation between the two bodies to give clarity to the way the two organisations are governed and how business is undertaken.

Financial Statements

The financial statements for the Chief Constable required under the 2025/26 Code consist of:

Comprehensive Income and Expenditure Statement (CIES)
This statement shows the accounting cost in the year of providing policing services under the direction of the Chief Constable for the 12 months to 31 March 2026, (as opposed to the overall cost of policing Derbyshire, which includes the cost of administering the Office of the Police and Crime Commissioner (OPCC) and OPCC expenditure on commissioning activities in relation to community safety, crime prevention and victim support, as shown in the Group Accounts). The CIES has been prepared by applying the accounting principles set out in the CIPFA Accounting Code of Practice. The headings replicate those used for the Constabulary's internal performance reports.

Movement in Reserves Statement

This summarises the movements to and from unusable reserves for the financial year 2025/26, which relate to post-employment benefits (pensions), benefits payable during employment (untaken leave at the financial year end) and financing of vehicles and equipment from capital resources. All usable reserves are held by the Commissioner as shown in the Group Accounts.

The Balance Sheet
This summarises the financial position of the Chief Constable as at the 31 March 2026 and sets out any assets, liabilities and reserves. The net assets of the Chief Constable (assets less liabilities) are matched by the unusable reserves held by the Chief Constable. These reserves are a product of the application of the Code; it should be noted that the Chief Constable does not hold usable reserves – they are all held by the Commissioner as shown in the Group Accounts.

The Cash Flow Statement
This shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. As all the Group's cash flows are presented in the Commissioner's Accounts this statement simply shows the net surplus on provision of services adjusted for non-cash movements.

Accounting Policies
Accounting policies are the specific principals, conventions, rules and practices that are applied in preparing and presenting the annual accounts. The accounting policies for the Chief Constable applied in preparing the 2025/26 annual accounts are consistent with last year.

Other Contents
In addition to the financial statements, the annual accounts include a: -

- Statement of Responsibilities for the Accounts and information on the Police Officer Pension Fund (providing statements for pension fund income and expenditure, assets and liabilities)
- An Annual Governance Statement (AGS). This statement is a statutory document which explains the governance processes and procedures in place to enable Derbyshire Constabulary to carry out its functions effectively. Following the Police Reform and Social Responsibility Act 2011 the Chief Constable is required to produce their own AGS each year which must accompany the Chief Constable's Statement of Accounts

Notes to the Financial Statements provide more detail on individual transactions, including the Expenditure and Funding Analysis.

Strategy and Resource Allocation

The revenue budget for 2025/26 was set at £243.23m, which was an increase of 4.9% over 2024/25. The funding for this budget came from a combination of central government grants (Police Specific Grant, Localising Council Tax Support Grant and Revenue Support Grant (RSG)) of £142.436m, and locally raised Council Tax of £100.793m.

As a result of what is known as the 'gearing' effect (the ratio of government grants to overall funding), the impact of annual increases in grant on the overall budget can vary markedly between different forces. During the period 2014/15 to 2025/26 the Constabulary's revenue budget has increased by 47.7% from £164.7m to £243.2m. This equates to an average annual growth rate of 4.3%. In the same period Government Grant increased by 24.4% (from £114.5m to £142.437m) with the difference being met by local Council Taxpayers (£50.2m to £100.793m).

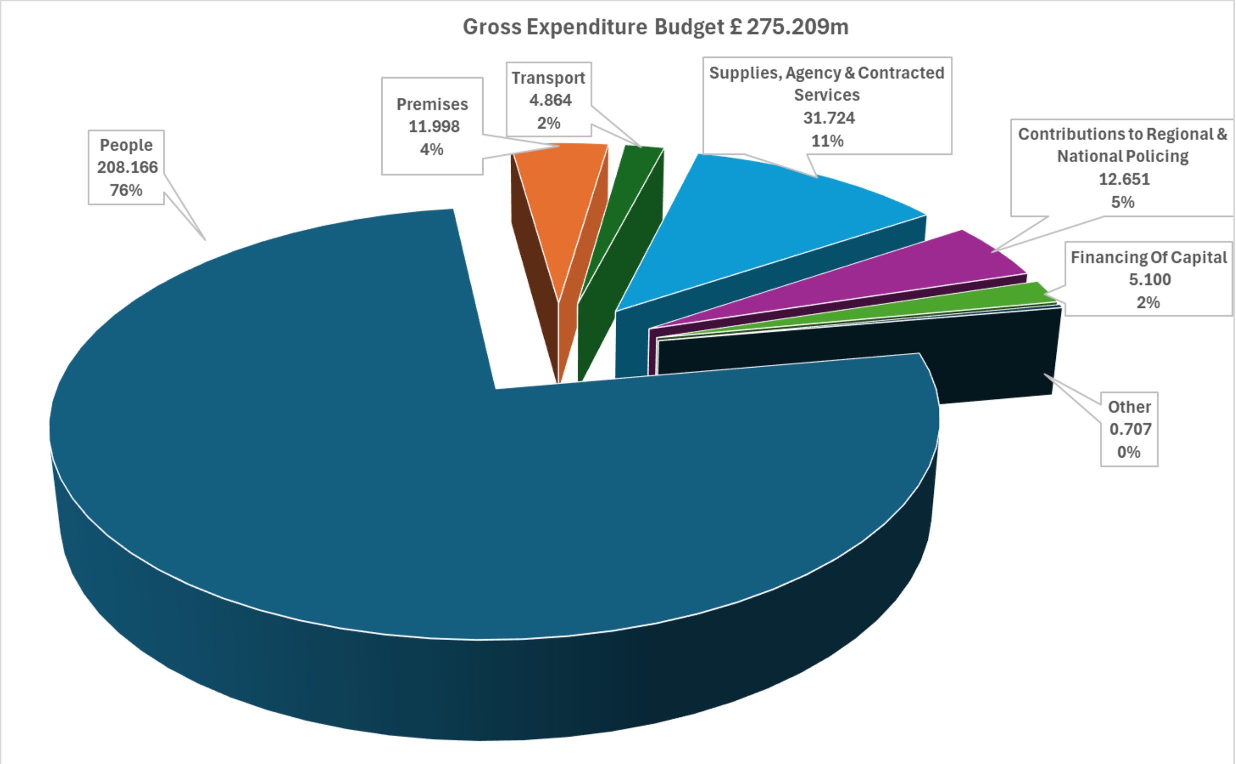
In addition to the £142.436m funding for the revenue budget, a grant of £30.879m was also received from the Home Office to cover the deficit on the police pension fund for the year.

The policing element of Council Tax for an average band D dwelling in Derbyshire was £293.60, an increase of £14 or 5% over 2024/25. This was the maximum increase the Commissioner could approve under the government's Precept Limitation regulations for 2025/26 without holding a local referendum.

The policing element of all Council Tax bandings in Derbyshire was as follows: -

Council Tax by Band	2024/25	2025/26
A	£ 186.40	£195.73
B	£ 217.47	£228.36
C	£ 248.53	£260.98
D	£ 279.60	£293.60
E	£ 341.73	£358.84
F	£ 403.87	£424.09
G	£ 466.00	£489.33
H	£ 559.20	£587.20

After taking into account all income sources, Derbyshire Police's gross expenditure budget was £275.209m which was allocated across major budget headings as follows: -



Financial Performance Report

<u>Revenue Outturn 2025/26</u>

The 2025/26 draft revenue outturn position against the approved revenue budget of £243.230m was **a net underspend of £2.454m (1% of the total budget)**, reflecting effective in-year financial management despite significant operational and demand pressures.

It became evident early in 2025/26 that due to emerging budget pressures the Force was heading to a potential overspend position. In response to this the Force implemented a vacancy control and managed non-essential spend to mitigate the potential overspend position.

The position has also been supported by **strong income performance, reduced support service costs, and lower financing charges**, which enabled **ongoing demand-led cost pressures across operational areas** to be partially offset during 2025/26.

The financial position for 2025/26, is set out in the table below:

Budget Heading	Revised Budget £m	Actual £m	Variance £m
Police Officer Pay & On Costs	141.421	141.588	0.167
Police Staff Pay & On Costs	62.988	63.233	0.245
Other Employee Expenses	0.948	1.384	0.436
Police Pensions	3.457	4.617	1.160
Premises	12.008	11.739	(0.269)
Transport	4.559	4.883	0.324
Supplies & Services	25.664	24.555	(1.109)
Pay & Price Contingency	0.262	0.000	(0.262)
Agency	0.272	0.456	0.184
Debt Charges	2.124	1.336	(0.788)
Revenue Contribution to Capital	2.976	2.976	0.000
Government Grants	(19.829)	(20.026)	(0.197)
General Income	(8.772)	(9.987)	(1.215)
Regional Units	12.651	12.772	0.121
Secondments	0.000	0.000	0.000
Interest Receipts	(1.250)	(1.078)	0.172
Contributions to/from Reserves	(1.071)	(1.064)	0.007
BCU Fund	0.095	0.022	(0.073)
Expenditure on National Policing	(0.300)	(0.263)	0.037
Other Specific Grants	0.065	(0.783)	(0.848)
Partnerships	0.574	0.528	(0.046)
Sub-Total	**238.842**	**236.888**	**(1.954)**
Office of the Police and Crime Commissioner	4.388	3.888	(0.500)
Total for Derbyshire Constabulary	**243.230**	**240.776**	**(2.454)**

Explanations of the significant variances are detailed below.

- **Significant underspends** were achieved in:
    - **Support Services (£1.109m underspend)** – reflecting reduced national IT costs, an Airwave court ruling releasing monies, and an accounting timing differences in relation to IT contractual costs
    - **General Income (£1.215m over-achieved)** – driven by increased income from operational and partnership activity (e.g. licensing, cost recovery, POCA)
    - **Debt Charges (£0.788m underspend)** – lower borrowing costs resulting from capital programme slippage
    - **Police Pay (£0.535m underspend)** reflects periods during the year where officer strength was below budgeted levels, staffing levels still met the requirements of the Police Officer Uplift Grant Requirement
    - **Premises (£0.269m underspend)** constrained maintenance spending as part of the non-essential spend controls
    - **Pay & Price Contingency (£0.262m underspend)** part year savings form the Mutually Agreed Resignation Scheme linked to workforce reductions
- **Key cost pressures/overspends occurred due to operational demand and workforce related costs:**

Demand-led operational pressures:

- **Police Overtime (£0.703m overspend) and Staff Overtime (£0.181m overspend) driven by high workloads in Crime Directorate and staffing shortages**
- **Agency and borrowed officer costs (£0.184m overspend)** linked to demand surge activity
- **Transport costs (£0.324m overspend)** due to higher vehicle maintenance and operational surge demand

Workforce-related costs also contributed to overspends:

- **Police Pensions (£1.160m overspend)** from increased ill-health retirements and injury-related payments
- **Other Employee Expenses (£0.437m overspend)** due to MARS severance costs

- **Income & Funding Position:**
  - **Government Grants** performed favourably, including adjustments to police uplift funding
  - **Partnerships and grant-funded activity** generated underspends (£0.930m), including BCU funds and NHP grant
  - **OPCC underspend (£0.501m)** underspent on grants and commissioning which has been transferred to reserves strengthening future funding flexibility

Overall Position
The outturn demonstrates that mitigating actions (vacancy management, spending controls and income generation) have been effective in delivering a favourable position. The position also benefited from one-off benefits and non-recurring items.

Reserves
The underspends have been used to contribute to earmarked reserves as shown in the below table

Earmarked Reserve	£
Carry Forward Reserve	753,934
Budget Pressures Reserve	500,000
Business Case Reserve	500,000
PFI Reserve	200,000
PCC Grants & Commissioning Reserve	500,484
Total moved to Earmarked Reserves	**2,454,418**

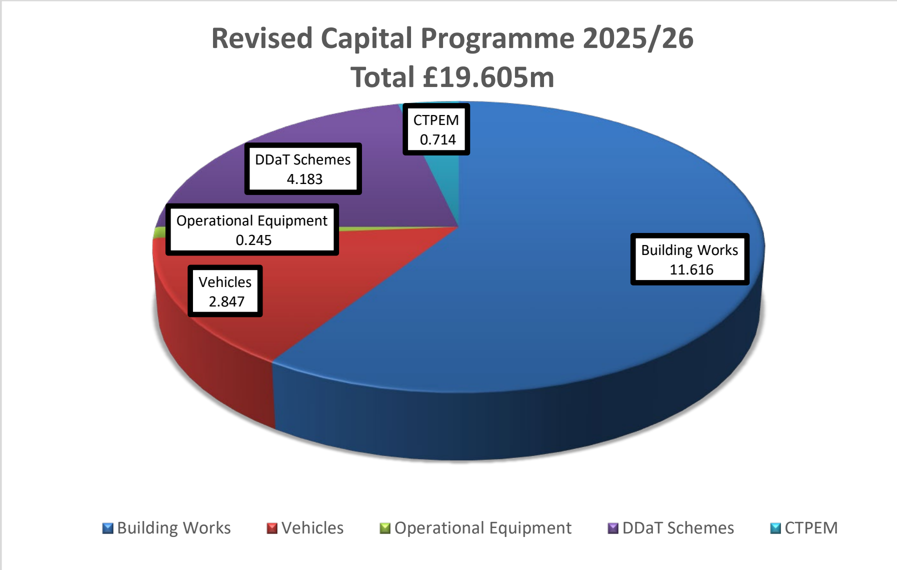
The overall level of reserves as of 31 March 2026 is **£20.609m. (£6.500m** general reserve and **£14.109m** earmarked reserves). The General Reserve balance represents 2.55% of the 2026/27 Net Revenue Budget which is above the minimum level of 2% of Net Revenue budget (£5.1m for 2026.27) and is significantly lower than the maximum amount of 5% of Net Revenue Budget (12.7m for 2026/27) as set by the Home Office.

Capital Programme

The Commissioner controls all land and buildings, and Derbyshire Constabulary has use of all these assets. The Commissioner receives all the funding to finance the total Capital Programme.
This is used:

- To replace police vehicles
- To maintain its buildings.
- To ensure its information technology systems are supported.
- To replace key items of operational and infrastructure equipment.

The Capital Programme for 2025/26 was originally set in March 2025 at £27.883m and as a consequence of scheme delays (including slippage) and other changes in the capital programme it was revised to £19.605m.
The Revised Capital Programme was allocated as follows: -



Actual expenditure against the programme totalled £18.486m as the plans and timescales for the new North Chesterfield DHQ and Custody Scheme and some technology changes were delayed which reduced the spend for the year and created further slippage towards the end of 2025/26. The actual spend for 2025/26 was as follows: -

Capital Programme	£m
North Division Custody Suite	10.939
Other Building Work	0.601
Equipment and Vehicles	3.067
IT and Communications	3.154
Regional Schemes	0.494
Counter Terrorism Police - EM	0.396
Total	**18.486**

The expenditure was funded by: Borrowing (£12.730m), External Grant and Contributions (£1.502m), Revenue Contributions (£3.723m), and (£0.531m) of Capital Receipts.

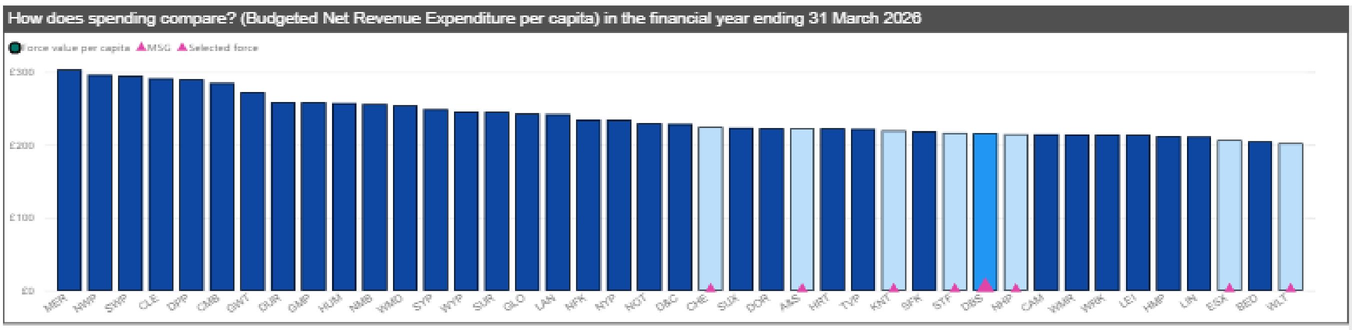
Main Capital Underspends Compared to Budget

Major Building Schemes – The final valuation in respect of building works on Killamarsh SNT was lower than originally budgeted. Other ongoing building refurbishments / replacements remain ongoing and will complete fully in 2026/27 & 2027/28.

IS Schemes – A variety of under & overspends against number of budget areas, i.e., comms & network equipment, end user devices, telephony system, body worn video, digital interview recoding and ANPR

Value For Money

The Constabulary continues to demonstrate excellent value for money and performs well in national comparators. The most recent HMICFRS Value for Money profiles reports Derbyshire had one of the lowest profiles for Net Revenue Expenditure per head of population.



Derbyshire has a total net revenue expenditure per capita for the year ending 31 March 2026 of **£215.87**

Derbyshire's position is 31st in the table (exc. Met & City of London Police) for net revenue expenditure per capita for 2025/26 @ £215.87 per member of the population. This means our spend per person in terms of our population is lower than most of our counterparts (the spend ranges from the highest Merseyside with £302.70 per person to Wiltshire at £201.93 per person) and in the lower quartile in our group of Most Similar Forces (MSF).

Source: HMICFRS Value for Money Profiles 2025

Non-Financial Performance

During 2025/26, total recorded crime increased by 2.4%, to 86,408 offences. Despite this increase the positive outcome rate remained stable at 17.8%.

Across acquisitive crime, there was a mixed picture. Residential Burglary rose by 2.9%, while vehicle theft increased by 3.6%. In contrast, theft from vehicles decreased by 8%. Shoplifting offences recorded an increase of 3.6%, and theft from the person rose by 7.5%. Within robbery, personal robbery fell by 3.3% to 501 offences. However, business robbery saw a significant increase, rising from 36 offences in the previous year to 308 in 2025/26.

Overall levels of violence remained broadly stable with violence with injury increasing slightly by 1.3% and violence without injury decreasing by 0.9%. Criminal damage fell by 1.3%, while public disorder decreased by 4.9%. In contrast, stalking and harassment offences rose notably by 11.2%. Sexual offences showed an upward trend, with rape increasing marginally by 0.8% and other sexual offences rising by 11.3%, leading to an overall increase of 7.5% in total sexual offences.

Anti-social behaviour (ASB) continued to decline, with total incidents falling by 7.2% from 16,646 to 15,436. ASB personal incidents saw a sharper reduction of 18.4% from 1,792 to 1,463.

Domestic abuse recorded crime remained largely stable, decreasing slightly by 0.2% (16,618 offences) However there was a notable shift in risk profile with High-risk cases increasing by 11.6%, and Medium and Standard risk cases decreasing by 0.5% and 0.7% respectively.

In Safeguarding activity, domestic abuse Public Protection Notices (PPN'S) increased by 2.6% to 24,947 in 2025/26. Of these, 93.6% were referred to partner agencies. The proportion assessed as high risk under the initial DASH assessment rose slightly to 13%, compared with 11.2% in the previous year.
Child-Related PPNs decreased by 7.5% to 16414, with 74.1% referred to partner agencies. Vulnerable adult PPNs increased marginally by 0.5% to 12970, of which 66.9% were referred. Stalking related PPNs fell by 4/6% to 6,584, with 58.8% referred. Honour-bases violence PPNs recorded the largest percentage decrease falling by 15.3% to 111 cases, however 99.1% of those were referred to partner agencies.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) completed a National Child Protection Inspection (NCPI) into Derbyshire Constabulary's child protection arrangements. In April 2026 the HMICFRS issued an accelerated cause of concern as it was found that the force was inadequately identifying and responding to risks involving children. Derbyshire Constabulary fully accepts these findings and has produced a detailed improvement plan for HMICFRS. The improvement plan will be monitored by both the Constabulary and HMICFRS.

Future Outlook

Funding Position 2026/27

Following the Spending Review announced by the Government in June 2025 only a one-year funding settlement was received for policing in 2026/27 making planning for the medium term difficult and requiring a number of assumptions to be made.

The table below shows Derbyshire's 2026/27 allocation of central government grants. The grant funding increase by 3.9% in cash terms from 2025/26 to 2026/27, however this reduced to 2.8% taking into account a one-off grant towards the 2025/26 pay award

Funding Stream	2025/26 £m	2026/27 £m	Change £m	Change %

Home Office Police Grant	85.7	92.1	6.4	7.5%
EX- DCLG Formula Funding	48.0	51.9	3.9	8.1%
Sub Total – Core Grant	**133.7**	**144.0**	**10.3**	**7.7%**
Council Tax Grants	8.7	8.7	0	0%
Pension Support Grant	5.6	5.6	0	0%
Officer Maintenance Grant (Ringfenced) *(Combined into Core Grant for 2026/27)*	5.0	0	-5	-100%
Additional Recruitment Top Up Grant *(Combined into Core Grant for 2026/27)*	1.4	0	1.4	-100%
National Insurance Contributions Grant	3.8	3.7	-0.1	-2.6%
Neighbourhood Policing Grant (Ringfenced)	2.8	5.2	2.4	85.7%
SubTotal - All Other Police Grants	**27.3**	**23.2**	**-4.1**	**-15%**
In Year Pay Award Grant Sept 24 (4.75% Sept 24)	1.7	0		
Total - All Police Grants (Adjusted for Pay Award)	**162.7**	**167.2**	**4.5**	**2.8%**

The funding settlement for 2026/27 removed the ring-fenced officer maintenance grants and the requirements for an overall police officer number target have been removed, which allows for greater flexibility and modernisation of the workforce. The ring-fenced neighbourhood policing grant remains, and we will be entitled to the grant if we achieve an additional 25 Officers and PCSO's within neighbourhoods (in addition to the previous year's target of 35 neighbourhood officers.

As set out in the Local Government Funding settlement, PCCs were given the flexibility to raise the police precept by up to £15 for a Band D property in 2026/27. Following a period of consultation with the public the PCC took the decision to raise the precept by the maximum allowed. The total funding to Constabulary was set at **£258.825m** with the £15 Precept increase.

Even with the maximum precept the force was only able to balance the budget for 2026/27 by making significant savings. The Force initiated two new savings initiatives during 2025/26 to address the level of financial challenges facing the Force and to address the level anticipated savings needed in 2026/27, these were:

- A Mutually agreed Resignation scheme (MARS) which is a voluntary scheme which allows eligible police staff to resign from their post in return for a severance payment under a mutually agreed resignation.
- Force Service Review's, which are a priority-based budget approach ensuring the forces operating model and costs are understood, and proactively considers and evaluates options for change, aligning resources to the Force priorities.

These measures resulted in £4.7m of savings in 2026/27 by reducing police staff levels by 80 full-time equivalents and by reducing some non-pay budgets.

Further information concerning the 2026/27 budget can be found on our website: Budget and Precept Information | Office of the Derbyshire Police and Crime Commissioner (derbyshire-pcc.gov.uk)

Medium Term Financial Plan

The Medium-Term Financial Plan (MTFP) forecasts future years' budget requirements based upon funding and spending assumptions. The plan is prepared between the Force and the Chief Financial Officer with the Office of Police and Crime Commissioner (OPCC) and is based upon a number of assumptions with different worst, best and most likely case scenarios. These are regularly discussed with the Chief Officers, members of the Senior Leadership Team and the OPCC.

The Forecast prepared as part of the 2026/27 Budget indicated that under all current assumptions the underlying budget deficit would continue to increase over the next five years, creating a **funding gap of over £8m**.

Our funding assumptions with the MTFP prepared as part of the 2026/27 Budget Process were based upon a **1% annual increase in Government Grant**. They also assume that **a £14 precept increase based upon a Band D property** is approved in each of the next 4 years (27/28, 28/29, 29/30 and 30/31) and shows the extent of the challenge that remains.

Medium-Term Forecast 2026/31	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Net Revenue Budget	**258.825**	**270.144**	**280.610**	**289.565**	**297.771**
Projected Funding (£15 Precept 26-27 £14 Subsequent Years	**-258.825**	**-266.322**	**-273.817**	**-281.438**	-289.182
Budget Deficit	**0.000**	**3.822**	**6.793**	**8.128**	**8.589**

It is acknowledged by the Force that a rigorous and structured process for identifying further savings will be required to enable balanced budgets to be set for 2027/28 to 2030/31. This will be addressed through a structured and risk-based savings plan focusing on demand-led service design, asset and estate optimization and smarter ways of working, using technology and AI to improve productivity is structured.

The financial, economic and operational uncertainties and challenges will require the PCC and Constabulary to keep financial planning assumptions under constant review, to ensure that the financial position remains stable into the longer term. The Constabulary will shortly commence the process of the new round of strategic financial planning and will consult with the PCC throughout this process. There are no going concern issues as a result, as funding to police forces will continue, but there may be risks to the levels of service currently offered.

Devolution

In November 2025, The Home Office announced that Police and Crime Commissioners (PCCs) will be abolished across England and Wales by May 2028. This will result in the transfer of Derbyshire police governance functions to East Midlands Combined County Authority (Mayoral Authority).

Polce Reform White Paper

In January 2026, the Home Office published the Police Reform White Paper entitled “from local to national” a new model for policing. The longer-term ambition from the paper is to have fewer and larger forces with an “optimal configuration of regional police forces. The reforms aim to shift to a more centrally directed, technology-driven model while simultaneously trying to strengthen local neighbourhood policing. A new centralised National Police Service will be created to manage national responsibilities, including counter-terrorism, serious and organised crime, and regional crime units. The National Police Service will take control of forensics, IT, and procurement from local forces.

Police Funding Formula

The current policing funding formula used to allocate core funding is outdated and no longer reflects the reality of local demand in different force areas. The government intends to carry out a funding formula review after the new policing structures are in place.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of colleagues in the Force Finance Department. I would like to express my appreciation to the Finance Team and all colleagues across the Force who have assisted in the production of the Statement of Accounts and for their support throughout the year.

B. Bull

Bev Bull
Director of Finance and Assets - S151 Officer
25th June 2026

STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS

The Chief Constable's Responsibilities

The Chief Constable is required: -

- to make arrangements for the proper administration of the Derbyshire Constabulary's financial affairs and to secure that one of its officers (Chief Finance Officer) has the responsibility for the administration of these affairs;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- to approve the statement of accounts

I approve these Statements of Accounts

Signed
Simon Blatchly
Chief Constable
Date:

The Chief Finance Officer's Responsibilities

The Chief Finance Officer of Derbyshire Constabulary is responsible for the preparation of the Statement of Accounts for the Chief Constable in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

In preparing this Statement of Accounts the Chief Finance Officer has: -

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent including assessments of going concern; and
- complied with the local authority code.

The Chief Finance Officer has also: -

- ensured that proper accounting records have been kept which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

CHIEF FINANCE OFFICER CERTIFICATE

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable for Derbyshire as at the 31 March 2026 and of its income and expenditure for the year ended the 31 March 2026.

Signed
Bev Bull
Director of Finance and Assets - S151 Officer
Date:

EXTERNAL AUDIT REPORT

PAGES 14 - 17 TO BE ISSUED AFTER APPROVED

EXTERNAL AUDIT REPORT

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TO BE ISSUED AFTER APPROVED

EXTERNAL AUDIT REPORT

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EXTERNAL AUDIT
REPORT

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TO BE ISSUED
AFTER APPROVED

CHIEF CONSTABLE
STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

General Principles
These financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS).

The accounts have been prepared on a going concern basis using a historic cost convention, modified to account for the revaluation of certain categories of tangible fixed assets and financial liabilities.

The concept of a going concern assumes that the functions of the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in The United Kingdom 2024/25) in respect of going concern reporting requirements reflect the economic and statutory environment in which policing services operate. These provisions confirm that, as policing services cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Policing services carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a constabulary were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis.

The accounts are therefore prepared on a going concern basis, on the assumption that the functions of the PCC and Chief Constable will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

The figures in these accounts are rounded appropriately and this may cause apparent minor arithmetical errors.

Consolidation
The Accounting Policies below also reflect the powers and responsibilities of the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service, England and Wales 2013. The Accounting policies defined here are consistent with local regulations, local agreement and practice as well as the PCC Group policies.

The Accounts cover the 12 months to 31 March 2026.

Cost and income intra-group recognition
All external income is received by the Commissioner (PCC), the PCC holds the Police Fund and all related financial reserves and cash balances. The PCC provides an annual budget to the Chief Constable. All resources consumed at the request of the Chief Constable are funded by the PCC, including the wages of police officers and staff, and no actual cash transactions take place between the two entities.

From an accounting perspective costs and income are recognised in the accounts of the Chief Constable to reflect the financial resources consumed and economic benefit derived in the direction and control of day-to-day policing at the request of the Chief Constable to deliver the Police and Crime Plan. For example, an economic benefit is recognised to reflect the utilisation of PCC owned fixed assets which mirrors depreciation of property.

Any costs and income relating to the Office of the PCC and the commissioning activities of the PCC remain in the Comprehensive Income and Expenditure Statement (CIES) of the PCC.

An intra-group funding adjustment is recognised in the CIES of the accounts of the Chief Constable to represents a recharge from the PCC for the costs and income consumed by the Chief Constable. This is cancelled out with a corresponding entry in the CIES of the PCC when the group accounts are consolidated.

In addition, the accounts for the Chief Constable reflect the employment and post-employment liabilities in accordance with IAS19 which states that liabilities relating to these benefits should follow the cost of employment.

The Chief Constable’s total CIES reflects the movement in the Chief Constable’s unusable reserves as all other net expenditure is met by a transfer of resources from the PCC and no usable reserves are held by the Chief Constable.

Expenditure Recognition
Activity is accounted for in the year it takes place, not simply when cash payments are made: -

- Supplies are recorded as expenditure when they are consumed.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Short term compensated absences are recognised in the Income and Expenditure Statement in the period in which officers or staff render the service which entitles them to the benefit, not necessarily when they receive the benefit. The cost of leave earned, but not taken at the end of the financial year is recognised in the financial statements of the Chief Constable to the extent that staff are entitled to carry forward a limited amount of leave into the following year.
- Where expenditure has been recognised but cash has not been paid a creditor for the relevant amount is recorded in the accounts.

Exceptional Items
When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Chief Constable's financial performance.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

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

Employee Benefits
The Accounts are prepared in accordance with IAS19 *Employee Benefits.* This is a complex accounting standard, but it is based on a simple principle that:

> "An organisation should account for employment and post-employment benefits when employees earn them and the authority is committed to give them, even if the actual giving will be many years into the future".

IAS 19 applies to all types of employee benefits paid including benefits payable during employment, termination benefits and post-employment benefits.

Benefits Payable During Employment
Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, expenses, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged to Comprehensive Income and Expenditure Statement (as a surplus/deficit on Provision of Services) but then reversed out through the Movement in Reserves Statement to the Short-Term Accumulating Compensated Absences Account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits
Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Chief Constable is demonstrably committed to the termination of the employment of an employee or group of employees or making an offer to encourage voluntary redundancy.

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

Post-employment benefits
The main effect of IAS19 in relation to post-employment benefits is the recognition of the net liability and a pensions reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the liability

relating to the employee pension schemes in which the Chief Constable participates (with reconciling entries in the Movement in Reserves Statement back to the true cost of pensions).

IAS19 relies on the recognition of pension's liabilities (being the retirement benefits promised measured on an actuarial basis) and assets (being the Chief Constable's share of investments (if any)).

The Chief Constable participates in two different pension schemes both of which are "defined benefit schemes" as they are both based on employees earning benefits from years of service.

a) Police Officers
This scheme is unfunded. This means it provides pensions and other retirement benefits for police officers based on final salaries but there are no investment assets built up to meet the pensions liabilities.

The funding arrangements for the police officers pension scheme changed on 1 April 2006. Before April 2006 each Police Authority was responsible for paying the pensions of its former officers on a "pay as you go" basis. From April 2006 there is now an employer's contribution instead (currently the equivalent of 35.3% of pensionable salary) which is charged to the Comprehensive Income and Expenditure Statement.

The Chief Constable is required by legislation to operate a Pension Fund Account and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. Officer's contributions and the employer's contribution are paid into the pension's account from which pension payments are then made. This will be topped up as necessary by the Home Office if the contributions are insufficient to meet the cost of pension's payments. Any surplus will be recouped by the Home Office. Injury awards and ill health retirements will continue to be paid from the Chief Constable's Comprehensive Income and Expenditure Statement.

The pension fund account does not take account of the obligation to pay pensions and benefits which fall due after the end of the financial year.

b) Police Staff and PCSO's
Police staff and PCSO's, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme administered by Derbyshire County Council. It is a defined benefit occupational pension scheme. Pensions and other retirement benefits earned prior to 1 April 2014 are based on final salaries, benefits earned after that date are calculated on earnings accrued in a scheme year. Employers and employees make regular contributions into the fund, which are invested in various types of assets, so that the liabilities are paid for evenly over the employment period. Actuarial valuations of the fund are undertaken every three years to determine the contributions rates needed to meet its liabilities.

Assets in the Local Government Pension scheme are included in the Balance Sheet at their fair value: -

- Quoted and Unitised Securities – Current Bid Price.
- Unquoted Securities – Professional Estimate.
- Property – Market Value.

For both schemes the liabilities are included in the Balance Sheet on an actuarial basis using the projected unit method (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 projections of projected earnings for current employees). Liabilities are discounted to their value at current prices, using a discount rate. The discount rate used is based on the 'current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities', which is often referred to as AA Corporate Bond Rate.

The changes in the net pensions' liability are analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of one additional year of service earned this year – allocated to the Comprehensive Income and Expenditure Statement.
- Past service cost – the increase in liabilities as a result of 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 Comprehensive Income and Expenditure Statement as part of non-distributed costs.
- Net interest expense – the change during the period in the net defined liability (asset) arising from the passage of time charged to Financing & Investment Income & Expenditure line, taking into account changes in net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurement comprising:

- Return on plan assets – excluding amounts included above in net interest, charged to Pensions Reserve as Other Comprehensive Income & Expenditure

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve as Other Comprehensive Income & Expenditure.
- Contributions paid to the pension fund.

The Chief Constable's accounts include the pension costs, assets and liabilities for all staff, including those employed directly by the Commissioner. The scheme assets and liabilities for the two corporation soles are pooled, any pro rota would not be accurate as valuing the fund is based on various assumptions. The effect of including all of the pension figures in the Chief Constable's accounts has no material effect on the accounts.

From the financial year 2025/26, we have obtained separate actuary reports for the Commissioner and Chief Constable to split out the assets and liabilities of the scheme between the two entities.

Discretionary Benefits
The Chief Constable also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award.

Events after the Balance Sheet Date

These are events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Chief Constable will report these in the following way if it is determined that the event has had a material effect on the Chief Constable's financial position: -

- Events which provide evidence of conditions that existed at the end of the reporting period will be adjusted and included within the figures in the accounts.
- Events that are indicative of conditions that arose after the reporting will be reported in the narrative notes to the accounts.

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

Non-Current Assets – Vehicles, Plant, Furniture, Equipment and Assets under Construction

Assets that have physical substance and are held for use in the provision of services or for administrative purposes and that are expected to be used during more than one financial year are classified as Vehicles, Plant, Furniture and Equipment.

The following de-minimis limits for capitalisation whereby items above these amounts must be capitalised:
- IT and other Equipment £10,000 (an exception is when certain items which are individually below the de-minimis, but aggregated exceed the limit e.g. IT hardware)
- Vehicles Nil

Recognition and Measurement
Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual's basis, provided that it yields benefits and the services it provides for more than one financial year and that the cost of the item can be measured reliably.

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets Under Construction are held in the Balance Sheet at historical cost until completed, whereupon they will be included in the Balance Sheet as operational assets.

Where assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value e.g. vehicles, IT and communications equipment.

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

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Vehicles, Plant, Furniture and Equipment assets on a straight-line basis by the systematic allocation of their depreciable amounts over their useful lives, as advised by a suitable qualified advisor. An exception is made for assets that are not yet available for use (i.e. Assets Under Construction).

Vehicles	Over the life of the asset (3-10 years)
Equipment/furniture	Over the life of the asset (3-20 years)
IT/Communications Equipment	Over the life of the asset (3-10 years) - majority of assets are 5 years.

It is policy not to charge depreciation in the year of acquisition, but a full year's charge is made in the year of disposal. Depreciation is charged to the Comprehensive Income and Expenditure Statement and is reversed out through the Movement in Reserves Statement.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Non-Current Assets - Intangible Assets

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

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to provide information on policing matters.

Intangible assets are measured at cost. Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. In practice, no intangible asset held meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised to the Comprehensive Income and Expenditure Statement over its useful life. Amortisation, as with depreciation, commences in the financial year following that in which they are received. Amortisation is not permitted to have any impact on the General Reserve Balance; it is therefore reversed through the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Charges to Revenue for Non-Current Assets

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year: -

- Depreciation attributable to the assets used.
- Amortisation of intangible fixed assets.

The Chief Constable is not required to raise council tax to cover depreciation or amortisations.

Leases

Initial application of IFRS 16 in 2024/25
IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2024. IFRS 16 replaced IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a lease and other interpretations. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

The Group as lessee
For leases that had been classified as operating leases and therefore charged to expenses rather than recognised on the Balance Sheet, a lease liability was established on 1 April 2024 equal to the present value of future lease payments discounted using the PWLB borrowing rate. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the CIES immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination. No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2024 or for leases where the underlying assets had a value below £10,000. No adjustments were made in respect of leases previously classified as finance leases.

The Group as lessor
Leases of owned assets where the Authority was lessor were unaffected by initial application of IFRS 16.

Leases Accounting Policy
A lease is a contract or part of a contract that conveys the right to use an asset for a period in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The term of the lease is determined using the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which is reasonably certain to be exercised.

The Group as a lessee
Recognition and initial measurement
At the commencement date of the lease, being when the asset is made available for use, we recognise a right of use asset and a lease liability. The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term (dilapidations). The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised. Where an implicit rate cannot be readily determined, the PWLB annuity rate is applied that relates to the length of the lease term. We do not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £10,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement
As required by a HM Treasury interpretation of the accounting standard for the public sector, we employ a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset. Where land and buildings assets are revalued, current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost

Leased plant and machinery and furniture and fittings are shorter-term leases and so the cost model is applied, and these are measured at depreciated at historic cost. We subsequently measure the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments. Dismantling, removal and restoration costs will not apply to all leases. If a lease has 30 years or more to run, we will not be including these costs. For leases where they are relevant, they will not necessarily be specified in the lease but can be implicit. Relevant leases will be categorised, the costs will be calculated using a blended rate and floor area. For more specific complexities a bespoke approach will be applied.

Depreciation
The depreciation of right of use assets is based on the lesser of the lease term and the useful life of the asset, unless we expect to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets in line with IFRS 16 Leases.

Revaluation gains/losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments
Impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of the impairment charged to operating expenses and the balance in the revaluation reserve attributable to that asset before the impairment. An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments are treated as revaluation losses. Reversals of ‘other impairments’ are treated as revaluation gains.

The Group as a lessor
We assess each of our leases and classify them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Finance leases
Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.
Operating leases
Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Overheads and Support Services

The costs of overheads and support services are charged to the Comprehensive Income and Expenditure Statement in accordance with the authority's arrangements for accountability and financial performance.

Provisions, Contingent Liabilities and Contingent Assets

Provisions – these are required for liabilities that have been incurred but are of uncertain timing or amount. There are three criteria:

- The Chief Constable has a present obligation (legal or constructive) as a result of a past event.
- It is more likely than not that money will be needed to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Chief Constable becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), the income is only recognised as income if it is virtually certain that reimbursement will be received when the obligation is settled.

Provisions contained within the Balance Sheet are split between current liabilities (those which are estimated to be settled within the next 12 months) and non-current liabilities (those which are estimated to be settled in a period greater than 12 months).

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

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

Contingent Asset – this arises where an event has taken place that gives the Chief Constable a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Reserves

Unusable Reserves - certain reserves/accounts are kept to manage the accounting processes for non- current assets (Capital Adjustment Account and Revaluation Reserve), retirement and employee benefits (Pensions Reserve, Short-term Accumulating Compensated Absences Account. These do not represent usable resources for the Chief Constable.

Value Added Tax (VAT)

The Chief Constable does not submit a VAT return as the Commissioner submits a single VAT return on behalf of the Group. Expenditure in the Chief Constable's Income and Expenditure Statement excludes any amounts relating to VAT as all VAT is remitted to/from HM Revenue and Customs.

Jointly Controlled Operations

Jointly controlled operations are activities undertaken in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Balance Sheet of the Group recognises the assets that it controls and the liabilities that it incurs. The Chief Constable Accounts include Derbyshire's share of running these operations as part of the Income and Expenditure Statement.

Accounting standards that have been issued but not yet been adopted

The Chief Constable shall disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued in 2025/26 but not yet adopted. These are detailed below.

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

The impact of these standards on the financial statements of the Chief Constable is either not applicable or not expected to be material.

<u>Changes in Accounting Estimates</u>

Significant estimates and judgements in applying Accounting Policies

In applying the accounting policies set out above, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no significant judgements in the 2025/26 Statement of Accounts.

Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable about the future or that are otherwise uncertain. Estimates are made to take into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

No new areas of estimation have been identified for this financial year.

The items in the Chief Constable's Balance Sheet as at the 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Uncertainties	Effect if Actual Results differ from Assumptions
Pensions Liability	
Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Chief Constable with expert advice about the assumptions to be applied. For both the Police Officer and Police Staff schemes full data on individual scheme members is collected only once every 3 years. In the intervening period, the actuaries are required to estimate relevant changes in the membership profile.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance for the largest scheme, the Police Pension scheme, it is estimated that a 0.5% reduction in the discount rate's excess over pension increases would result in a decrease in the pensions liability of 7.0% (£107m). If pension increases were to be 0.5% higher per year this would increase the liability by 7.0% £107m. However, the assumptions interact in complex ways. For example, during 2025/26 the Police Pension Scheme liability decreased by £14.2m as a result of experience changes and by £51.1m as a result of the updating of actuarial assumptions for financial reasons (In 2024/25 the equivalent increased by £0.6m and decreased by £198.6m respectively). Experience changes are those that arise from specific occurrences relating to scheme membership during the year. Recent reviews of public sector pensions have led to changes in benefits payable, employee contribution rates and retirement ages. These will have an impact on the level of future liabilities. As from 1 April 2014 for Police Staff and April 2015 for Police Officers, scheme members now accrue benefit entitlements based on their career-average salaries instead of on their final salary at the point of retirement.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE CHIEF CONSTABLE

This statement shows the accounting cost in the year of the resources consumed by the Chief Constable in delivering the Police and Crime plan for Derbyshire. It is prepared using generally accepted accounting principles. In practice all the respective costs and income are paid for/received by the Commissioner (PCC) other than those reversed through the Movement in Reserves Statement. The CIES includes the intra-group funding adjustment from the PCC. This is cancelled out with a corresponding entry in the CIES of the PCC when the Group accounts are consolidated.

Chief Constable For the year ended 31 March 2025				Chief Constable For the year ended 31 March 2026		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
269,815	(56,799)	213,016	Policing Services	270,177	(61,896)	208,281
652	0	652	Corporate and Democratic Core	674	0	674
0	0	0	Non Distributed Costs	0	0	0
270,467	**(56,799)**	**213,668**	**Cost of Policing Services before revaluations/funding**	**270,851**	**(61,896)**	**208,955**
(284,543)	56,799	(227,744)	Intra-group funding	(301,612)	61,896	(239,716)
(14,076)	**0**	**(14,076)**	**Cost of Policing Services**	**(30,761)**	**0**	**(30,761)**
			Other Operating Expenditure			
288	0	288	Losses on the Disposal of Non-Current Assets	615	0	615
2,168	0	2,168	Levies to national police services	2,172	0	2,172
(2,168)	0	(2,168)	Intra-group Fund adjustment (Levies to national police services)	(2,172)	0	(2,172)
			Financing and Investment Income and Expenditure			
80,771	0	80,771	Police Pensions Interest Cost	82,146	0	82,146
			Taxation and Non-Specific Grant Income			
0	(28,923)	(28,923)	Police Officer Pension Grant	0	(30,879)	(30,879)
66,983	**(28,923)**	**38,060**	**Deficit on the Provision of Services**	**52,000**	**(30,879)**	**21,121**
	(199,992)	(199,992)	Actuarial (Gains) or Losses on Police Pension		(57,684)	(57,684)
		(199,992)	**Other Comprehensive Income and Expenditure**			**(57,684)**
		(161,932)	**Total Comprehensive Income and Expenditure**			**(36,563)**

BALANCE SHEET FOR THE CHIEF CONSTABLE

The balance sheet shows the value of the Chief Constables assets and liabilities at the balance sheet date. The net assets or liabilities are matched by the Chief Constable's reserves. The Chief Constable only holds unusable reserves, these are not able to be used to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve) and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

31-Mar-25 £000		Note	31-Mar-26 £000
18,854	Plant and Equipment	**12**	19,614
366	Intangible Assets	**13**	189
19,220	**Long-Term Assets**		**19,803**
1,564	Short-Term Debtors - Intra group Debtor		6,714
0	Cash and Cash Equivalents		0
1,564	**Current Assets**		**6,714**
(1,564)	Short-Term Creditors - Intra group creditor		(6,714)
(3,446)	Short-Term Creditors - Accumulated Absences	**17**	(3,802)
(5,010)	**Current Liabilities**		**(10,516)**
(1,557,666)	Other Long-Term Liabilities - Pension Scheme	**10a/11**	(1,521,329)
(1,557,666)	**Long-Term Liabilities**		**(1,521,329)**
(1,541,892)	**Net Assets/(Liabilities)**		**(1,505,328)**
1	Unusable Reserves - Revaluation Reserve	**17**	1
19,219	Unusable Reserves - Capital Adjustment Account	**17**	19,802
(1,557,666)	Unusable Reserves - Pension reserve	**17**	(1,521,329)
(3,446)	Unusable Reserves - Accumulated Absences Reserve	**17**	(3,802)
(1,541,892)	**Total Reserves**		**(1,505,328)**

Certification

The financial statements were authorised as a draft version for issue on 30th June 2026.

MOVEMENT IN RESERVES STATEMENT 2025/26 OF THE CHIEF CONSTABLE

This Statement shows the movement in the year on the different reserves. The Chief Constable does not hold any usable reserves but does hold unusable reserves as a result of its application of both the code and IFRS.

	Note	General Reserve Balance £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
				16	
Balance as at the 1 April 2025		**0**	**0**	**(1,541,892)**	**(1,541,892)**
Surplus or (deficit) on the provision of services (accounting basis)		(21,121)	(21,121)		(21,121)
Other comprehensive income and expenditure	10	57,684	57,684		57,684
Total Comprehensive Income and Expenditure		**36,563**	**36,563**	**0**	**36,563**
Adjustments between accounting basis and funding basis under regulations					
- Depreciation and Impairment of non-current assets	12 & 13	5,517	5,517	(5,517)	0
- Net gain or loss on sale of non-current assets	14	615	615	(615)	0
- Amount by which pension costs calculated in accordance with the code	17	(36,337)	(36,337)	36,337	0
(IAS19) are different from the contributions due under the pension scheme				0	
- Capital expenditure funded by PCC Intra-group funding	14	(6,714)	(6,714)	6,714	0
- Charges for employee benefits	17	355	355	(355)	0
Total Adjustments between accounting basis and funding basis		**(36,563)**	**(36,563)**	**36,563**	**0**
Increase in Year		**(0)**	**(0)**	**36,563**	**36,563**
Balance as at the 31 March 2026 carried forward		**(0)**	**(0)**	**(1,505,329)**	**(1,505,329)**

MOVEMENT IN RESERVES STATEMENT 2024/25 OF THE CHIEF CONSTABLE

This Statement shows the movement in the year on the different reserves. The Chief Constable does not hold any usable reserves but does hold unusable reserves as a result of its application of both the code and IFRS.

		General Reserve Balance	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£'000	£'000	£'000	£'000
	Note			16	
Balance as at the 1 April 2024		**0**	**0**	**(1,703,824)**	**(1,703,824)**
Surplus or (deficit) on the provision of services (accounting basis)		(38,060)	(38,060)	0	(38,060)
Other comprehensive income and expenditure	10	199,992	199,992	0	199,992
Total Comprehensive Income and Expenditure		**161,932**	**161,932**	**0**	**161,932**
Adjustments between accounting basis and funding basis under regulations					
- Depreciation and Impairment of non-current assets	12 & 13	5,041	5,041	(5,041)	0
- Net gain or loss on sale of non-current assets	14	288	288	(288)	0
- Amount by which pension costs calculated in accordance with the code	17	(165,666)	(165,666)	165,666	0
(IAS19) are different from the contributions due under the pension scheme				0	
- Capital expenditure funded by PCC Intra-group funding	14	(1,564)	(1,564)	1,564	0
- Charges for employee benefits	17	(31)	(31)	31	0
Total Adjustments between accounting basis and funding basis		**(161,932)**	**(161,932)**	**161,932**	**0**
Increase in Year		**0**	**0**	**161,932**	**161,932**
Balance as at the 31 March 2025 carried forward		**0**	**0**	**(1,541,892)**	**(1,541,892)**

CASHFLOW OF THE CHIEF CONSTABLE

This statement does not show any cash-flows for the year ending 31 March as all payments were made from the Police Fund which is held by the Commissioner and similarly all income and funding is received by the Commissioner during the year. The financial consequences of the operational activities undertaken by the Chief Constable can be seen in the Comprehensive Income and Expenditure Statement.

31-Mar-25 £'000		31-Mar-26 £'000
38,060	Net Deficit on the Provision of Services	**21,121**
	Adjust Net Deficit on the Provision of Services for Non-cash Movements	
(4,890)	Depreciation of Non-Current Assets	(5,392)
(151)	Amortisation of Intangible Assets	(125)
1,564	Capital expenditure funded by PCC Intra-group funding	6,714
31	Increase in Creditors - accumulated absences	(356)
(34,326)	Pension Liability	(21,347)
(288)	Carrying Amount of Non-Current Assets Sold	(615)
(38,060)		**(21,121)**
0	**Adjust for Items Included in the Net Deficit on the Provision of Services that are Investing and Financing Activities**	**0**
0	**Net Cash Flows (used in)/from Operating Activities**	**0**
0	Investing Activities	**0**
0	Financing Activities	**0**
0	**Net (Increase) or Decrease in Cash and Cash Equivalents**	**0**
0	Cash and Cash Equivalents at the Beginning of the Reporting Period	**0**
0	**Cash and Cash Equivalents at the End of the Reporting Period**	**0**

The Cashflow Statement has been presented using the Indirect Method.

Notes to the Financial Statements for the Chief Constable

Note 1 Derbyshire Police Group

The Accounts reflect the second stage of the reforms within the Police Reform and Social Responsibility Act 2011, which were introduced in April 2014. The Commissioner is responsible for the finances of the whole Group, and controls all land and buildings, liabilities and reserves. The Commissioner receives all income and funding and makes all the payments for the Group from the Police Fund. In turn the Chief Constable fulfils their functions under the Act within an annual budget (set by the Commissioner in consultation with the Chief Constable). The main changes to the Accounts from 1 April 2014 are

- All employees (Police officers and staff) except for the staff of the Commissioner come under Chief Constable
- Long term Assets other than land & buildings and Jointly controlled assets come under the Chief Constable

Note 2 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants and precepts) by authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting principles. It also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25				2025/26		
Net Expenditure Chargeable to General and Earmarked Reserves £000	**Adjustment between the Funding and Accounting Basis (1) £000**	**Net Expenditure in the Comprehensive Income and Expenditure Statement (2) £000**		**Net Expenditure Chargeable to General and Earmarked Reserves £000**	**Adjustment between the Funding and Accounting Basis (1) £000**	**Net Expenditure in the Comprehensive Income and Expenditure Statement (2) £000**
227,092	(14,076)	213,016	Policing Services	239,042	(30,761)	208,281
652	0	652	Corporate and Democratic Core (CC)	674	0	674
0	0	0	Non Distributed Costs	0	0	0
227,744	**(14,076)**	**213,668**	**Net Cost of Services before revaluations/funding**	**239,716**	**(30,761)**	**208,955**
(227,744)	0	(227,744)	Intra-group Funding	(239,716)	00	(239,716)
0	**(14,076)**	**(14,076)**	**Cost of Policing Services**	**0**	**(30,761)**	**(30,761)**
0	52,136	52,136	Other Income and Expenditure	0	51,881	51,881
0	**38,060**	**38,060**	**Deficit on the Provision of Services**	**0**	**21,120**	**21,120**
0	(199,992)	(199,992)	**Other Comprehensive Income and Expenditure**	0	(57,684)	(57,684)
0	**(161,932)**	**(161,932)**	**Total Comprehensive Income and Expenditure**	**0**	**(36,564)**	**(36,564)**
		0	***Opening General Reserve and Earmarked Reserve Balance***			***0***
		0	Surplus on General Reserve/Earmarked Reserves in Year			0
		0	**Closing General Reserve and Earmarked Reserve Balance**			**0**

(1) Details of adjustments are shown in Note 2 of the Accounts.
(2) Income and Expenditure recognised in accordance with generally accepted accounting practices can be seen in the Comprehensive Income and Expenditure Statement on page 30

The Expenditure and Funding Analysis above takes net expenditure that is funded from resources and reconciles it to the Comprehensive Income and Expenditure Statement (CIES page 30). The first column is blank because the Chief Constable holds no reserves. A summary of the Adjustment between the Funding and Accounting basis is shown in the Expenditure and Funding Analysis, a breakdown of these adjustments is shown below

2024/25 - Adjustments to General Reserve To add Expenditure or Income not Chargeable to Taxation and Remove items which are only chargeable under Statute	**Adjustments for Capital Purposes 2024/25 £'000**	**Net Change for the Pensions Adjustments 2024/25 £'000**	**Other Differences 2024/25 £'000**	**Total Adjustments 2024/25 £'000**
Policing Services – Chief Constable	3,476	(17,521)	227,062	213,016
Corporate and Democratic Core Chief Constable	-		652	652
Non Distributed Costs	-	-	-	-
Net Cost of Services before revaluations/funding	**3,476**	**(17,521)**	**227,714**	**213,668**
Intra-group funding	-	-	(227,744)	(227,744)
Net Cost of Services	**3,476**	**(17,521)**	**(30)**	**(14,076)**
Other operating expenditure	288	-	-	288
Financing and Investment income & expenditure	-	80,771	-	80,771
Taxation & Non-specific grant income & expenditure	-	(28,924)	-	(28,924)
Net Deficit on General Reserve Balance	**3,764**	**34,326**	**(29)**	**38,060**

2025/26 - Adjustments to General Reserve To add Expenditure or Income not Chargeable to Taxation and Remove items which are only chargeable under Statute	**Adjustments for Capital Purposes 2025/26 £'000**	**Net Change for the Pensions Adjustments 2025/26 £'000**	**Other Differences 2025/26 £'000**	**Total Adjustments 2025/26 £'000**
Policing Services – Chief Constable	(1,197)	(29,920)	239,398	208,281
Corporate and Democratic Core Chief Constable	-		674	674
Non Distributed Costs	-	-	-	-
Net Cost of Services before revaluations/funding	**(1,197)**	**(29,920)**	**240,071**	208,955
Intra-group funding			**(239,716)**	(239,716)
Net Cost of Services	**(1,197)**	**(29,920)**	**355**	(30,761)
Other Operating Expenditure	615			615
Financing and Investment income & expenditure	-	82,146	-	82,146
Taxation & Non-specific grant income & expenditure	-	(30,879)	-	(30,879)
Net Deficit on General Reserve Balance	**(582)**	**21,347**	**356**	**21,120**

Adjustments for Capital Funding and Expenditure Purposes
Net Cost of Services - Adjustments to the General Reserve to meet the requirements of generally accepted accounting practices, this column adds in depreciation relating to Chief Constable assets to the Net Cost of Services line. It is also adjusted for Capital Expenditure funded by PCC intra-group funding.

Other Operating Expenditure – Adjusts for capital disposals with a transfer of income on disposal of assets and the amounts to be written off for those assets.

Net Change for the Pension Adjustments
Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income.

Net Cost of Services - this represents the removal of the employer pension contributions made by the authority as permitted by statute and the replacement with the current services costs and past service costs.

Financing and Investment Income and Expenditure – The net interest on the defined benefit liability is charged to the CIES.

Taxation and Non-Specific Grant Income and Expenditure – Pension Grant received from the Home Office is credited to the CIES.

Other Differences
This is generally the movement of income and expenditure to the right heading in the CIES (Corporate and Democratic Core for the Chief Constable and Intra-group revenue funding).

Also, the Net Cost of Services includes an adjustment for compensated absences earned but not taken in the year e.g. annual leave, flexi leave and time off in lieu entitlement.

Note 3 Expenditure and Income Analysed by Nature

This note provides an alternative breakdown of the cost of services based on how expenditure is allocated for decision making purposes. It is intended to aid the reader in understanding where the money is spent and in making comparisons between Forces in terms of the type of expenditure incurred.

It should be noted that this analysis includes some items within cost of services that are not required to be charged against the general fund for council tax purposes.

Chief Constable 2024/25 £'000	Financial Resources of the Commissioner consumed at the request of the Chief Constable	Chief Constable 2025/26 £'000
111,027	Police Pay & Allowances	118,957
75,835	Police Staff Pay & Allowances	75,937
1,816	Other Employee Expenses	2,158
15,790	Police Pensions (Current Cost) -see note 10	10,530
12,498	Premises	11,568
6,348	Transport	5,818
28,986	Supplies & Services	26,320
11,188	Agency & Contracted Services	12,112
6,971	Depreciation & Cost of using Commissioner's Property	7,401
8	Revenue Expenditure Funded from Capital under Statute	50
-	Non Distributed Costs	-
270,467	**Expenditure**	**270,851**
(56,799)	Income from fees/charges and Special Government Grant	(61,896)
213,668	**Net Cost of Policing Services**	**208,955**

Note 4 Leases

The adoption of IFRS16 was a change in accounting policy for the 2024/25 financial statements and remains in place in 2025/26. The previous accounting standard was IAS 17.

The main impact of the new requirements was that for arrangements previously accounted for as operating leases (i.e without recognising the leased property as an asset and future rents as liability) a right of use (ROU) asset and a lease liability were brought onto the balance sheet at 1st April 2024. Leases for items of low value (£10,000 or less) and lease's that expire on or before 31st March 2026 are exempt from the new arrangements. IFRS16 was applied retrospectively with the cumulative effect recognised at 1st April 2024 meaning ROU assets and lease liabilities were calculated as if IFRS16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

Movement of Right-of-use assets

This table shows the change in the value of the right-to-use assets held under lease

Movement Right of Use Assets	Total £'000
Cost / Valuation	
At 1 April 2025	86
Additions	-
Disposals	(3)
At 31 March 2026	83
Accumulated Depreciation	
At 1 April 2025	54
2025/26 Depreciation Charge	(3)
At 31 March 2025	51
Net Book Value	
At 31 March 2025	32
At 31 March 2026	32
Movement in Year	0

Chief Constable as Lessee - Right of Use Assets

The Chief Constable's lease contracts comprises of a photocopier lease which is individually immaterial.

Maturity analysis of lease liability

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

	31 March 2026 £000
Payable in 2026/27	28
Payable within 1 to 5 years	-
More than 5 years	-
Total	**28**

Authority as Lessor – Operating Leases

The Commissioner acts as lessor for a number of offices and rent received for these properties in 2025/26 was £15,619 (£19,431 in 2024/25). A further £406,262 was received for mast rental in 2024/25 (£95,424 in 2024/25).

Note 5 Officers Remuneration

Senior Officer Payments

The table below provides disclosure of the remuneration of Senior Officers and relevant Police Officers..

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

2024/25							Post Holder Information	2025/26						
Salary £	Allow £	Other £	Benefits in kind (11) £	Employer Pension £	Total £	Note		Note	Salary £	Allowances £	Other £	Benefits in kind (11) £	Employer pension £	Total £
97,936	1,502	495	-	34,572	**134,505**	1,2	Chief Constable to 06/10/2024		-	-	-	-	-	**-**
78,546	-	301	-	27,726	**106,573**	1,2	Chief Constable from 08/11/2024	1	204,132	-	995	-	72,058	**277,185**
148,351	4,303	1,104	-	52,368	**206,126**	3	Deputy CC Derbyshire	2	152,975	4,304	1,143	-	54,000	**212,421**
88,891	-	188	-	31,378	**120,457**	5	ACC Collaboration	3,4	102,180	-	609	16,173	36,070	**155,032**
							ACC Collaboration	5	31,292	309	735	-	11,039	**43,375**
130,067	-	402	-	45,914	**176,383**	6	ACC Crime & Criminal Justice	6	108,386	-	660	-	38,260	**147,306**
							ACC Crime & Criminal Justice	7	37,060	-	212	-	13,082	**50,354**
133,191	-	750	-	47,016	**180,957**	7	ACC Operational Support	8	138,844	-	840	-	49,012	**188,696**
127,054	-	-	-	22,743	**149,797**		Assistant Chief Officer Resources	9	139,083	-	-	-	24,896	**163,979**
103,969	-	-	-	18,610	**122,579**		Chief Finance Officer to Chief Constable	10	2,271	-	-	-	301	**2,572**
							Acting Chief Finance Officer to Chief Constable	11	53,761	-	-	-	9,623	**63,384**
							Director of Finance and Assets & S151 Officer to Chief Constable	12	49,166	-	-	-	8,801	**57,967**

Notes 2024/25

1. As the total remuneration for 2024/25 has exceeded £150k the regulations require that Ms R Swann be named.
2. The Chief Constable retired from the Force on 06/10/2024 and returned on 08/11/2024 through the Retire and Rehire Policy for Police Officers.
3. As the total remuneration for 2024/25 has exceeded £150k the regulations require that Mr S Blatchly be named.
4. The Deputy Chief Constable Collaboration left on 31/03/2024.
5. The Assistant Chief Constable Collaboration replaced the Deputy Chief Constable Collaboration and was appointed on 22/02/2024.
6. As the total remuneration for 2024/25 has exceeded £150k the regulations require that Mr J Abdy be named.
7. As the total remuneration for 2024/25 has exceeded £150k the regulations require that Ms M Shooter be named.

Notes 2025/26

1. As the total remuneration for 2025/26 has exceeded £150k the regulations require that Ms R Swann be named.
2. As the total remuneration for 2025/26 has exceeded £150k the regulations require that Mr S Blatchly be named.
3. The Assistant Chief Constable Collaboration left on 01/01/2026.
4. As the total remuneration for 2025/26 has exceeded £150k the regulations require that Ms D Coulson be named.
5. The Assistant Chief Constable Collaboration was appointed on 02/01/2026.
6. The Assistant Chief Constable Crime & Criminal Justice left on 18/01/2026.
7. The Assistant Chief Constable Crime & Criminal Justice was appointed on 02/01/2026.
8 As the total remuneration for 2025/26 has exceeded £150k the regulations require that Ms M Shooter be named.
9. As the total remuneration for 2025/26 has exceeded £150k the regulations require that Mr A Price be named.
10. The Chief Finance Officer to Chief Constable left on 06/04/2026.
11. The Acting Chief Finance Officer to Chief Constable was in post 01/04/2025 to 12/10/2025.
12. The Director of Finance and Assets & S151 Officer to Chief Constable was appointed on 13/10/2025 and replaced the Acting CFO.

Officers Remuneration over £50,000

The disclosure below details salary of Police Staff and Senior Police Officers (over and above the rank of Superintendent) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions). This excludes the officers shown in the above table.

Remuneration Band	No. Of Employees 2024/25	No. Of Employees 2025/26
£50,000 - £54,999	60	91
£55,000 - £59,999	54	44
£60,000 - £64,999	21	37
£65,000 - £69,999	11	20
£70,000 - £74,999	6	5
£75,000 - £79,999	7	9
£80,000 - £84,999	2	5
£85,000 - £89,999	1	2
£90,000 - £94,999	1	-
£95,000 - £99,999	6	2
£100,000-£104,999	1	7
£105,000 - £109,999	1	-
£110,000-£114,999	2	1
£115,000-£119,999	-	2
£120,000 - £124,999	1	-
£125,000-£129,999	2	2
£130,000 - £134,999	-	-
£135,000 - £139,999	-	2
TOTAL	**176**	**229**

Exit Packages

- A Mutually Agreed Resignation scheme (MARS) which is a voluntary scheme which allows eligible police staff to resign from their post in return for a severance payment under a mutually agreed resignation resulted in 35 exit packages in 2025/26 at a total cost of £493,322.

2024/25				Exit packages cost band (including special payments)	2025/26			
Number of compulsory redundancies	Number of other departures agreed	Total Number of Exit Packages Agreed	Total cost of exit packages in each band £		Number of compulsory redundancies	Number of other departures agreed	Total Number of Exit Packages Agreed	Total cost of exit packages in each band £
-	-	-	-	£0 - £20,000	-	28	28	303,934
-	-	-	-	£20,001 - £40,000	-	7	7	189,388
-	1	1	£47,772.05	£40,001 - £60,000	-	-	-	-
-	-	-	-	£60,001 - £80,000	-	-	-	-
	-	-	-	£80,001 - £110,000		-	-	-
-	**1**	**1**	**£47,772.05**	**TOTAL**	**-**	**35**	**35**	**493,322**

Note 6 External Audit Fees

Fees in relation to external audit for the Chief Constable are as follows: -

2024/25 £'000	External Audit Fees	2025/26 £'000
56	Scale Fees Payable	54
-	Fees payable for audit of previous years – Grant Thornton	5
	Fees payable for audit of previous years – Ernst Young	12
56	**Total fees Chief Constable**	**71**

Note 7 Grant Income

In 2025/26 £22,694 grant income (£44,468 Commissioner, £22,694 Chief Constable) was received from the Ministries of Housing, Communities and Local Government (MHCLG) for the Redmond Review and Audit Build-Back Grant , this was to support increased audit fees driven by new requirements on auditors.

Note 8 Jointly Controlled Operations

East Midlands Jointly Controlled Operations

Jointly Controlled Operations (JCO) or Collaborations with other East Midlands Forces are used to deliver services within the Force. The share of cost to Derbyshire is different depending on the number of Forces partaking in the JCO.

The following table show the accounts for all the JCO'S and the balances attributable to Derbyshire.

2024/25		Comprehensive Income and Expenditure Statement	2025/26	
Jointly Controlled Operations £'000	Derbyshire Police £'000		Jointly Controlled Operations £'000	Derbyshire Police £'000
45,204	10,403	Employees' Expenses	49,048	11,255
563	122	Premises	726	158
948	209	Transport	946	208
5,079	1,236	Supplies and Services	6,188	1,497
4,750	1,072	Agency and Contracted Services	5,785	1,260
1,251	273	Capital Charges	1,307	285
-	-	Revaluation (Gains)/Losses	(569)	(124)
57,795	**13,315**	**Gross Operating Expenditure**	**63,431**	**14,539**
(2,287)	(517)	Other Income	(2,118)	(481)
5	1	Profit/(Loss) on Disposal of Fixed Assets	4	1
55,513	**12,799**	**Net Operating Expenditure Financed by: -**	**61,317**	**14,059**
(48,345)	(11,241)	Contributions from Partners	(52,190)	(12,073)
(7,331)	(1,598)	External Grants	(12,187)	(2,655)
(559)	(122)	Capital Grants & Contributions	(1,068)	(233)
(722)	**(162)**	**(Surplus) / Deficit for the year**	**(4,128)**	**(902)**

The JCO's to which the Commissioner contributes cover a number of operational and support areas. Details of these are set out in the table below (Where reference is made to 'all 5 forces' this means Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire)

Jointly Controlled Operation	Activity	Participants	Commenced	Derbys %	2025/26 Gross Exp £'000	2025/26 Total Income £'000	(Surplus) / Deficit £'000
EM SOU – SOC (incl. EMSOU TSU)	Specialist Operations	All 5 forces	Jan 2003	21.8	9,031	(9,939)	(908)
EMSOU Major Crime – Command Team	Co-ordination of Major Crime investigations	All 5 forces	Sept 2011	21.8	205	(205)	-
EMSOU Forensics	Forensic analysis and identification	All 5 forces	April 2014	21.8	3,136	(3,104)	32
EM Legal Services	Specialist Legal advice and services, incl Insurance	All 5 forces	April 2014	21.8	584	(582)	2
EM CHRS – Learning & Development	Co-ordination of regional training provision	Derbys, Leics, Northants, Notts	April 2012	25.11	434	(434)	-
HR Service Centre	Transactional HR services	Derbys, Leics	June 2014	50.0	1,149	(1,177)	(28)
Totals					**14,539**	**(15,441)**	**(902)**

EMSOU TSU was incorporated into EMSOU-SOC accounts from April 2018 but it actually commenced operations in July 2011.

In addition to the above, Derbyshire Police has a joint arrangement with Leicestershire Police for the provision of Payroll and Risk Management software.

Note 9 Related Party Transactions

The Chief Constable is required to disclose all material transactions with related parties – bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable.

Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in their ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

Central Government
Central Government has significant influence over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates.

Officers
Certain senior officers might be in a position to influence significantly the policies, the Chief Constable and the Chief Finance Officer were directors of the Derbyshire Constabulary Sports Club during 2024/25 but this arrangement has now ceased, no further related party transactions have been identified following the consultation with relevant officers.

Commissioner
The Commissioner holds the Chief Constable to account, a scheme of consent is in place that gives clarity to how the two organisations operate and are governed. The Chief Constable fulfils their function within a budget set by the Commissioner.

Other Public Bodies
The Chief Constable participates in Jointly Controlled Operations with other East Midlands Forces (see Note 8) and partnership arrangements with Derbyshire Fire and Rescue Service.

Note 10 Accounting for Pension Costs (a)

As part of the terms and conditions of employment of its officers and other employees, the Chief Constable offers post-employment (retirement) benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a current commitment to make future payments which need to be disclosed at the time that employees earn their future entitlement.

The Chief Constable participates in two post-employment schemes: -

The Local Government Pension Scheme (LGPS) for police staff is a defined benefit scheme. It is a funded scheme which is administered by Derbyshire County Council. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

Actuarial valuations of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities. A valuation was undertaken as at the 31 March 2022 which set contribution rates for the 3-year period commencing on the 1 April 2023.

The 2025/25 total employer contribution of £11.455m consisted only of 'regular' contributions as there were no additional one-off contributions towards early retirements. This is in line with pension costs necessary to be provided in accordance with IAS19 "Employee Benefits". Prior to 2024/25 the regular contributions consist of 2 elements:

- a 'future service rate' to meet the estimated cost of benefits that will be earned in future (set at 13.9% of pensionable pay at the latest valuation).
- a 'deficit recovery repayment' lump sum to enable the difference between the value of benefits earned to date and the assets that have been built up to be recovered over a specified period (NIL paid in 2024/25).

In total these 2 elements equated to a contribution rate of 17.9% of pensionable pay for 2024/25.

In addition to contributions to the Pension fund the Chief Constable is responsible for compensation payments in the form of "added years" awarded on premature retirement. In 2025/26 these amounted to £0.026m.

Further information can be found in the County Council's Pension Fund Statement of Accounts, which is available upon request from Derbyshire County Council.

The structure of benefits payable to members under the LGPS was reformed from April 2014 as part of a policy to make all pension schemes across the public sector more affordable. In summary, retirements benefits earned from service after this date became based on 'career average' salaries rather than final salaries. For Police Officers (see below) a similar change was implemented from April 2015.

The implementation of all the new career-average schemes across the public sector was subsequently found to be discriminatory – on grounds of age – in a series of court rulings. This was because members nearer to retirement were treated more favourably than younger members with less service. Following a consultation process HM Treasury has determined a mechanism and process for removing the discrimination, which is referred to collectively as the 'Pensions Remedy'.

This process began in October 2023, when all the technical details of implementation have been worked out and will mean that individual members will have a choice regarding the benefits they receive for service between the1 April 2015 and 31 March 2022. More details can be found under the ‘McCloud Judgement’ section below.

The Police Pension Scheme for police officers is an unfunded single employer defined benefit scheme. This means it provides pensions and other retirement benefits for police officers but there are no investment assets built up to meet the pensions liabilities. Up to and including 2023/24 three schemes were in operation:

- The 1987 Police Pension Scheme - based on officers’ final salaries and a maximum pensionable service of 30 years.
- The 2006 Police Pension Scheme (effective for police officers commencing from April 2006 onwards) - based on officers’ final salaries and a maximum pensionable service of 35 years.
- The 2015 Police Pension Scheme – based on ‘career average’ salaries with no maximum pensionable service but a Normal Pension Age of 60.

However, during 2025/26 only the 2015 Police Pension Scheme was in operation. The other 2 schemes were fully closed to all members on 31 March 2022.

All new officers and existing officers not subject to protection arrangements are now members of the 2015 scheme. As with the Local Government Pension Scheme, because the changes to the Police Officer pension scheme from 2015 involved transitional protections for older members close to retirement age they come within the ambit of the McCloud Judgement / Pension Remedy (see page 44).

The constabulary is required to operate a separate Pensions Account for all transactions related to the Police Pension Scheme. Officers’ contributions and an employer’s contribution are paid into the pensions account from which pension payments are made. The account is topped up each year by the Home Office if the contributions in that year are insufficient to meet the cost of pensions paid. Any surplus is repaid to the Home Office.

For 2025/26 a Top up grant of £30.879m was received from the Home Office to supplement the employer’s contributions paid into the account which amounted to £32.448m (35.3% of pensionable salary). The contribution rate of 31.0% was set following a revaluation of the scheme’s total liabilities by the Government Actuary’s Department as at the 31 March 2016. A further revaluation as at the 31 March 2020 determined a revised employer’s contribution rate of 35.3% with effect from the 1 April 2024.

In addition to the standard contribution, individual payments totalling £1.434m were made into the Pensions Fund Account to reimburse the extra cost of benefits becoming payable early due to ill-health retirement. Injury-related payments amounted to £3.011m and these were paid from the Comprehensive Income and Expenditure Account. The Pensions Fund Account is shown on page 53.

Transactions relating to post-employment benefits (b)

Under IAS 19 we recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement.
The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statements during the year, the 2024/25 figures have been restated to separate the Commissioner and Chief Constable assets and liabilities and incorporates the 2025 valuation results: -

Original 2024/25 £’000	Restated 2024/25 £’000	Local Government Pension Scheme Comprehensive Income & Expenditure Statement	2025/26 £’000
		__Cost of Services__	
10,777	10,777	Current service cost *	8,154
-	-	Past Service cost (incl curtailments)	-
		__Financing and Investment Income and Expenditure__	
(8)	(8)	Net Interest cost	(4,229)
10,916	**10,916**	**Total Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services**	**3,925**
		__Other Post-Employment Benefits charged to the CIES__	
		Re-measurements of surpluses/deficits	
4,279	4,130	Return on scheme assets (excluding the amount included in the net interest expense)	(16,207)
(585)	(4,521)	Actuarial losses/(gains) arising from changes in demographic assumptions	1,185
(61,624)	(55,947)	Actuarial losses/(gains) arising from changes in financial assumptions	(13,447)
(2,916)	(15,237)	Other experience changes	2,743
(29,928)	(29,755)	Changes in the effect of the asset ceiling	(71,458)
(90,774)	**(70,856)**	**Total Re-measurements**	**(97,184)**
(79,858)	**(60,087)**	**Total Post-Employment Benefits Charged to the CIES**	**93,259**

Original 2024/25 £'000	Restated 2024/25 £'000	Local Government Pension Scheme Movement in Reserves Statement Expenditure	2025/26 £'000
79,858	**60,087**	Reversal of net charges for post-employment benefits in accordance with the code	**93,259**
		Actual amount charged against the General Reserve Balance for pensions in the year:	
11,323	11,323	Employers' contributions payable to scheme plus added years	11,480
	-	Retirement benefits payable to pensioners	-

2024/25 £'000	Police Pension Scheme Comprehensive Income & Expenditure Statement	2025/26 £'000
	Cost of Services	
15,790	Current service cost	10,530
80,780	Net Interest cost	86,400
96,570	**Total Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services**	**96,930**
	Other Post-Employment Benefits charged to the CIES	
-	Re-measurement of surpluses /deficits :	-
560	Actuarial losses/(gains) arising from changes in demographic assumptions	(14,190)
(198,630)	Actuarial losses/(gains) arising from changes in financial assumptions	(51,130)
(2,530)	Other experience changes	-
(200,600)	**Total Re-measurements**	**(65,320)**
(104,030)	**Total Post-Employment Benefits Charged to the CIES**	**31,610**

2024/25 £'000	Police Pension Scheme Movement in Reserves Statement	2025/26 £'000
104,030	Reversal of net charges for post-employment benefits in accordance with the code	**(31,610)**
	Actual amount charged against the General Reserve Balance for pensions in the year:	
32,768	Employers' contributions payable to scheme	36,901
-	Retirement benefits payable to pensioners	-

*For the LGPS the current service cost is within the Police Staff Pay and Allowances figure in note 2.

The Current Service Cost – which is the total increase in entitlements earned by existing employees during the year and the other gains and losses are affected by changes in the key actuarial and financial assumptions used in projecting future pension entitlements. Note 10b details the key demographic and financial assumptions which have been used in calculating these figures. It also quantifies the potential impact if different assumptions are used.

McCloud Remedy Judgement - Police Pension Challenge

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures, we expect the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period.

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window has closed, we have moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This meant all McCloud liabilities are held within the legacy scheme which we expect benefits to be paid from. In the 2022/23 disclosures, this led to a past service cost in the 1987 Scheme and the 2006 Scheme and a past service gain in the 2015 Scheme.

Updated membership data has now been received as at 31 March 2024, which reflects McCloud rollback from the 2015 to the legacy schemes for some eligible members. For these members, all McCloud eligible liabilities for the period 2015 to 2022 will now be recorded in the appropriate legacy schemes. For other McCloud eligible members, who were not yet rolled back, approximate adjustments have been made to allocate all their additional McCloud eligible liabilities to the appropriate legacy scheme (from the 2015 Scheme). It is possible that experience revisions between the sections may appear in future years' disclosures as the rollback exercise is completed and reflected in the data provided to us.

The refined approach is expected to be broadly neutral, relative to last year's approach, when considered at the combined all-schemes disclosure level. However, the additional data is expected to produce a more accurate allocation of liabilities between the individual schemes' disclosures. The impact of this refinement will be shown as experience items in the individual scheme disclosures.

Additionally, now that McCloud-related liabilities have started to move into the legacy schemes, contribution adjustments are being carried out by administrators to ensure affected members have paid the correct 'legacy rate' contributions for this portion of service. The contributions adjustments in the 2025/26 disclosures are shown as net cashflows, in line with the approach adopted last year.

GMP equalisation and indexation

The Government has published a consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021 (7 October 2020). A past service cost was included in the 2019/20 disclosures for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, we expect that this ruling will be taken forward on a cross scheme basis and will need legal input.
This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before the CETV were equalised. The scope of any costs are yet to be determined and we do not have data on historic CETVs on to estimate the potential impact, but we expect it will be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

No additional costs were recognised for GMP equalisation and indexation in 2021/22 to 2024/25, nor are they expected to for 2025/26. In the absence of any further developments, we also propose no additional costs are recognised for 2026/27.

GMP Overpayments

We are aware that schemes have undertaken GMP reconciliation work with HMRC, and in some cases this work will result in identifying members who have been overpaid or underpaid. We have assumed that any overpayments or underpayments, to the extent they are not already reflected in underlying data, are not significant to the disclosures GAD prepares for the balance sheet and the profit and loss accounts.

Part-year inflation

We have allowed for known inflation between September 2025 and February 2026.

Survivor benefits legal challenges (Goodwin)

In 2020 a legal challenge was brought against the Teachers' Pension Scheme regarding the provision of survivor benefits to a male spouse of a female member. In that scheme, dependant benefits for a male spouse of a female member are based on service from 1988 and do not include service before 1988.

Home Office advised that due to the historic equal benefit structure in the 1987 Scheme they do not believe there is a similar situation in the Police Pension Scheme in England & Wales and therefore there was no requirement to allow for this legal challenge in the 2025/26 accounting disclosures.

Section 37 legal case

We are aware of the case of Virgin Media Ltd vs NTL Pension Trustees II Limited (and others) relating to actuarial certifications under section 37 of the Pension Schemes Act 1993. This case potentially has implications for the validity of amendments made by schemes which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. There is considerable uncertainty around this case including potential read across to public service pension schemes. We understand that schemes continue to administer benefits and recognise liabilities in accordance with scheme regulations currently in force. No additional costs are assumed to be recognised in the 2025/26 accounting disclosures.

Note 11 Assets and Liabilities in relation to Post-employment benefits (a)

Note 11 contains details of the Chief Constable’s participation in the Local Government Pensions Scheme (administered by Derbyshire County Council) and the Police Pension Scheme in providing Police staff and police officers with retirement benefits.

Reconciliation of the present value of the schemes’ liabilities is as follows:

Original 2024/25 £’000	Revised 2024/25 £’000	Funded liabilities: Local Government Pension Scheme	2025/26 £’000
(332,896)	**(332,896)**	**Opening Balance as at the 1 April**	**(304,225)**
(10,777)	(10,777)	Current Service Cost	(8,154)
-	-	Past Serve Cost (inc. curtailments)	-
(16,272)	(16,272)	Interest on pension liabilities	(17,731)
(4,056)	(4,056)	Contributions from scheme participants	(4,202)
		Change in estimate of scheme liabilties	
		Remeasurement gains and (losses):	
585	4,521	Actuarial gains/(losses) arising from changes in demographic assumptions	(1,185)
		Actuarial gains/(losses) arising from changes in financial assumptions	
61,624	55,947	Other experience changes	13,447
2,916	(9,762)		(2,743)
9,070	9,070	Benefits paid	9,341
(292,037)	**(304,225)**	**Deficit as at the 31 March**	**(315,452)**

2024/25 £’000	Unfunded Liabilities Police Pension Scheme	2025/26 £’000
(1,723,332)	**Opening Balance as at the 1 April**	**(1,557,472)**
(15,790)	Current Service cost	(10,530)
(80,780)	Interest on pension liabilities	(86,400)
-	Past Service Cost	-
(12,870)	Contributions from scheme participants	(12,440)
-	Change in estimate of the scheme liabilities	-
	Remeasurement gains and (losses):	
2,530	Actuarial gains/(losses) arising from changes in demographic assumptions	-
198,630	Actuarial gains/(losses) arising from changes in financial assumptions	51,130
(560)	Other experience gains and (losses)	14,190
74,700	Benefits Paid	80,380
(1,557,472)	**Deficit as at the 31 March**	**(1,521,142)**

Pensions Assets and Liabilities Recognised in the Balance Sheet

Balance Sheet	Local Government Pension Scheme			Police Pension Scheme		Balance Sheet	
	Original 2024/25 £’000	Revised 2024/25 £’000	2025/26 £’000	2024/25 £’000	2025/26 £’000	2024/25 £’000	2025/26 £’000
Present value of the defined benefit obligation	(292,037)	(304,225)	(315,452)	(1,557,472)	(1,521,142)	(1,849,509)	(1,838,616)
Fair Value of Scheme Assets	383,225	375,489	419,997	-	-	383,225	422,643
Asset Ceiling Adjustment	(91,382)	(71,458)	(104,732)			(91,382)	(105,356)
Net liability arising from defined benefit obligation	**(194)**	**(194)**	**(187)**	**(1,557,472)**	**(1,521,142)**	**(1,557,666)**	**(1,521,329)**

The amount included in the Balance Sheet arising from the Chief Constable’s obligation in respect of its defined benefit plans is as follows:

The liabilities show the underlying long-term commitments that the Chief Constable must pay for post-employment (retirement) benefits. The total liability of £1,521,329m has a substantial impact on the net worth of the Chief Constable as recorded in the Balance Sheet. Some £1,521.142m of this overall deficit relates to the Police Pension Scheme, which is a centrally funded scheme administered and underwritten by HM Government. However, statutory arrangements for funding the deficit mean that the financial position of the PCC Group remains stable: -

<u>The Local Government Pension Scheme</u>

- Any deficit on the local government scheme will be made good by contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- Also, due to national changes under the Public Pensions Services Act 2013, as from the 1 April 2014 scheme members accrue pension entitlements based on career-average salaries instead of the salary being paid at the point of retirement as previously.

<u>The Police Pension Scheme</u>

- The method of financing Police Officers pensions changed from April 2006. Prior to this date, all pension costs were charged to the Constabulary's operational account and funded by general revenue funding along with all other operational expenses. This created wide fluctuations in the cost of pensions from year to year.
- Employers now pay a fixed contribution (i.e. an actuarially determined % of pensionable pay) into a separate pension account. Any net cost of pensions paid to members in excess of this contribution is offset by a Home Office top-up grant.
- This change to the method of financing police officer pensions, and the fact that the employer contribution rate is assessed on a regular basis creates a more stable environment for Police Officer pensions.
- In addition, the introduction of a new Police Pension Scheme from April 2015 means that benefits accrued in this scheme are based on a retirement age of 60, which is later than previously, and on average salaries over the whole period of employment.

The total contributions expected to be made to the Local Government Pension Scheme by the Chief Constable in the year to the 31 March 2027 are £9.534m. Expected contributions for the Police Pension Scheme in the year to the 31 March 2027 are £65.457m.

The weighted average duration of the defined benefit obligation for members of the Local Government Pension Scheme is 21 years. The weighted average duration of the defined benefit obligation for the Police Pension Schemes is 16 years.

Reconciliation of the Movements in the Fair Value of the assets of the Local Government Pension Scheme: -

Original 2024/25 £'000	**Revised 2024/25 £'000**	**Local Government Pension Scheme**	**2025/26 £'000**
363,671	361,275	Opening fair value as at the 1 April	375,489
17,763	17,656	Interest Income	21,960
(4,279)	(4,130)	The return on plan assets, excluding the amount included in the net interest expense	16,207
11,177	11,177	Contributions from employer	11,480
4,056	4,056	Contributions from employees into the scheme	4,202
(9,070)	(9,070)	Benefits/transfers paid	(9,341)
-	(5,475)	Other Experience	-
383,225	**375,489**	**Closing fair value of scheme assets as at the 31 March**	**419,997**

The expected return on Scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets including expected return on plan assets in the year was a gain of £38.167m (revised 2024/25 a gain of £13.526m).

In 2025/56 the local government pension scheme has a net asset in respect of the funded obligations due to changes in the financial assumptions and an excess return on assets. In accordance with proper accounting practice, as asset ceiling calculation has been undertaken which shows that the net asset cannot be realised. As a result the net assets are reduced by £105m.

Local Government Pension Scheme assets comprised: -

2024/25				Local Government Pension Scheme Assets	2025/26			
Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	% of Total Assets %		Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	% of Total Assets %
-	**16,587**	**16,587**	**4%**	**Cash and cash equivalents**	**-**	**17,662**	**17,662**	**4%**
5,312	**-**	**5,312**	**1%**	**Equities**	**0**	**-**	**0**	**0%**
				Debt Securities				
24,129	32,062	56,191	15%	Corporate Bonds	26,913	34,982	61,895	15%
43,031	-	43,031	11%	UK Government Bonds	57,196	-	57,196	14%
4,803	-	4,803	1%	Other Bonds	-	-	-	0%
71,963	**32,062**	**104,025**	**23%**	**Debt Securities sub-total**	**84,109**	**34,982**	**119,091**	**29%**
805	**26,068**	**26,873**	**7%**	**UK Property**	**813**	**30,096**	**30,909**	**7%**
6,423	**13,451**	**19,874**	**5%**	**Private Equity**	**5,925**	**14,749**	**20,674**	**5%**
				Other Investment Funds				
62,584	106,772	169,356	44%	Equities	189,551	-	189,551	45%
5,021	36,177	41,198	11%	Infrastructure	5,207	39,550	44,757	11%
67,605	**142,949**	**210,554**	**55%**	**Other Investment Funds sub-total**	**194,758**	**39,550**	**234,308**	**55%**
152,108	**231,117**	**383,225**	**100%**	**Total Assets**	**285,605**	**137,038**	**422,643**	**100%**

Basis for estimating assets and liabilities (b)
Liabilities have been assessed on an actuarial basis using the Projected Unit Credit Method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary rates etc. Under the projected unit method, the current service cost will increase as the members of the scheme approach retirement for the local government and police pension schemes.
The Police Officer scheme has been assessed by the Government Actuary Department (GAD), estimates are based on the latest full valuation of the scheme as at 31 March 2020.
The Local Government scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries - estimates are based on the latest full valuation of the scheme as at the 31 March 2026. The main assumptions used in their calculations have been: -

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2025/26	2024/25	2025/26
Mortality assumptions:	**Years**	**Years**	**Years**	**Years**
Longevity at 65 for current pensioners:				
Men	20.8	21.3	21.9	22.0
Women	23.8	24.2	23.9	24.0
Longevity at 65 for future pensioners				
Men	21.5	22.1	23.3	23.4
Women	25.3	25.5	25.2	25.3
Financial Assumptions	**%**	**%**	**%**	**%**
Rate of CPI inflation	2.75	3.0	2.70	2.95
Rate of increase in salaries (Long Term)	3.75	4.0	3.45	3.70
Rate of increase in pensions	2.95	3.0	2.70	2.95
Rate of CARE revaluation	-	-	3.95	4.20
Rate for discounting scheme liabilities	5.80	6.3	5.65	6.10
Take up option to convert annual pension into retirement grant: pre-April 2008 service	60	60	n/a	n/a
post-April 2008 service	60	60	n/a	n/a

Covid-19 implications
Covid-19 and climate change are areas where there remains significant uncertainty, which could affect both future economic and demographic experience. In line with previous years, the assumptions used in the preparation of the 2025/26 accounts allow for the current impacts of Covid-19 and climate change to the extent that they are reflected in the market data used to set or derive assumptions.

The 2022-based population projections consider Covid-19 as a mortality shock event, applying an appropriate short-term adjustment rather than projecting its effects forward. Death rates from Covid-19 in excess of that already allowed for in the mortality assumptions and reflected in the membership data would emerge as an experience gain in future years' accounts

Cost of Living implications
The effect of the continued high inflation rates has had some impact on the discount rate used in valuation of the liabilities. The accounting assumptions are based on market expectations as at the 31 March 2026 and were shaped by global events, therefore affecting the value placed on the obligations.

Sensitivity of assumptions
The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

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

Change In Assumption as at the 31/03/2026					
		0.1% decrease in Real Discount Rate	**1 year increase in member life expectancy**	**0.1% increase in the salary increase rate**	**0.1% increase in the pension increase rate**
Local Government Pension Scheme	Approximate % increase to Employer Liability	2.0	4.0	0.0	2.0
	Approximate monetary amount - £'000	5,619	12,618	322	5,294
		0.5% decrease in Real Discount Rate	**1 year increase in member life expectancy**	**0.5% increase in the salary increase rate**	**0.5% increase in the pension increase rate**
Police Pension Schemes	Approximate % increase to Employer Liability	(7.0)	2.5	1.0	7.0
	Approximate monetary amount - £'000	(107,000)	36,000	12,000	107,000

Note 12 Plant and Equipment

Movements in 2025/26

	Operational Vehicles, Plant, Furniture Equipment £'000	Non-Operational Assets Under Construction-Equipment £'000	TOTAL £'000
Cost or Valuation			
At the 1 April 2025	**39,826**	**1,644**	**41,470**
IFRS 16 Movement	(18)	-	**(18)**
Additions	6,714	-	**6,714**
Derecognition – Disposals	(1,394)	-	**(1,394)**
Derecognition – Other	(2,067)	-	**(2,067)**
Reclassifications – other	392	(392)	**-**
At the 31 March 2026	**43,453**	**1,252**	**44,705**
Depreciation and Impairments			
At the 1 April 2025	(22,616)	-	**(22,616)**
Depreciation charge	(5,374)	-	(5,374)
Derecognition – Disposals	1,045	-	1,045
Derecognition – Other	1,853	-	**1,843**
At the 31 March 2026	**(25,091)**	**-**	**(25,091)**
Net Book Value			
Net Book Value as at the 31 March 2026	**18.362**	**1,252**	**19,614**
Net Book Value as at the 31 March 2025	**17,210**	**1,644**	**18,854**

Movements in 2024/25

	Operational Vehicles, Plant, Furniture Equipment £'000	Non-Operational Assets Under Construction- Equipment £'000	TOTAL £'000
Cost or Valuation			
At the 1 April 2024	**40,285**	**4,374**	**44,659**
IFRS 16 Adjustment	87	-	**87**
Additions	4,156	(2,730)	**1,426**
Derecognition – Disposals	(975)	-	**(975)**
Derecognition – Other	(3,726)	-	**(3,726)**
Reclassifications – other			
At the 31 March 2025	**39,826**	**1,644**	**41,470**
	-	-	-
Depreciation and Impairments			
At the 1 April 2024	(22,140)	-	**(22,140)**
Depreciation charge	(4,889)	-	**(4,889)**
Derecognition – Disposals	687	-	**687**
Derecognition – Other	3,726	-	**3,726**
At the 31 March 2025	**(22,616)**	**-**	**(22,616)**
Net Book Value			
Net Book Value as at the 31 March 2025	**17,210**	**1,644**	**18,854**
Net Book Value as at the 31 March 2024	**18,145**	**4,374**	**22,519**

Valuation of Assets

All Plant and Equipment is valued at historic cost.

Vehicle information has been taken from the Vehicle Fleet Information System (the total number of vehicles as at the 31 March 2026 is 788). IT and Communications information has been provided by the Information Services Department.

Depreciation

The basis of depreciation is shown in the Statement of Accounting Policies (page 26).

Note 13 Intangible Assets

The Chief Constable accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Plant and Equipment.

Purchased Software Licences	2024/25 £'000	2025/26 £'000
Balance as at the 1 April		
Gross carrying amount	7,602	7,654
Accumulated amortisation	(7,136)	(7,288)
Net carrying amount as at the 1 April	**466**	**366**
Additions	52	-
Reclassifications	-	-
Derecognitions	-	(53)
Amortisation in year	(152)	(125)
Balance as at the 31 March	**366**	**188**

Note 14 Capital Expenditure and Capital Financing Statement

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. The Chief Constable does not hold funding so the assets are funded by Intra group funding from the Commissioner. The Chief Constable does not have a capital financing requirement.

2024/25 £'000		2025/26 £'000
	Capital Financing Requirement	
	Capital investment	
1,512	*Plant and Equipment*	6,714
52	*Intangible assets*	-
1,564	**Total Capital Investment**	**6,714**
	Sources of Finance	
(1,564)	*Intra Group funding*	(6,714)
-	**Closing Capital Financing Requirement**	**-**

Note 15 Provisions

A provision should be made for any liabilities of uncertain timing or amount that have been incurred and should cover costs that are more likely than not to occur.

Provisions are shown on the Commissioner's balance sheet. The provision for the year goes through the Chief Constable's CIES.

Liability Insurance Provision -This provision is to meet liability claims which are not covered by external insurers. The balance reflects the claims handlers' assessment of open liabilities on claims outstanding as at the 31 March 2026, together with an estimate for claims relating to 2025/26. On this basis a provision of £2.377m is required.

Vehicle Insurance Provision – This provision is to meet Third Party claims which are not covered by external insurers. The balance reflects the claims handlers' assessment of open liabilities on claims outstanding as at the 31 March 2026, together with an estimate for claims relating to 2025/26. On this basis a provision of £0.413m is required.

Backdated Overtime Provision – This is a provision for the costs of settling a claim outstanding against Derbyshire Police arising from the ruling in Allard v Devon and Cornwall Police. This related to entitlement to overtime payments following recalls to duty to meet specific operational requirements. The £0.050m balance on the provision is for the one outstanding claim plus legal fees.

National Undercover Provision – This majority of this provision represents Derbyshire's share of a claim received nationally from 99 Undercover Officers. The estimated cost of the claim to be met from all Forces is £11.9m. Derbyshire's share based on NRE is £0.175m. The remaining £0.004m is Derbyshire's share of Civil Proceedings Arising out of Conduct of UC Officer which has been notified by the National Police Chiefs' Council.

Provisions	Liability Insurance £'000	Vehicle Insurance £'000	Backdated Overtime £'000	National Undercover Provision £'000	Total Provisions £'000
Balance as at the 1 April 2025	**2,098**	**696**	**0**	**180**	**2,974**
Provision in Year	843	130	50	-	1,023
Expenditure in year	(564)	(413)	-	-	(977)
Transfer to/from Insurance Reserve	-	-	-	-	-
Balance as at the 31 March 2026	**2,377**	**413**	**50**	**180**	**3,020**

Provisions are split between short term (£1.011m) and long term (£2.009m) in the balance sheet. Short-term provisions cover liabilities that are expected to be settled within 12 months of the balance sheet date.

Note 16 Contingent liabilities / Contingent assets

Contingent liabilities/assets arise where the Chief Constable is aware of a possible obligation that has occurred because of events prior to the Balance Sheet date, but where the existence will only be confirmed by future events which are not in the Chief Constable's control.

Contingent Liabilities

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. These amounts are not recorded in the PCC's accounts because:

- It is not probable that an outflow of economic benefits or service potential will be required to settle the obligation or
- The amount of the obligation cannot be measured with sufficient reliability at the year end.

The National Police Chief Council have also made the Force aware of potential civil proceedings arising out of conduct of an officer seconded to the National Public Order Intelligence Unit (NPOIU) whilst working undercover between 2003 and 2010. Although the Force where the officer originates from would bear any internal legal costs as this individual was seconded to a national body any other costs arising from a successful claim in this matter, including disbursements, external legal costs, damages, or settlement sums, would be apportioned to police forces according to the prevailing national funding formula for police forces at the time of payment.

Public Inquiry into Grooming Gangs
The statutory Independent Inquiry into Grooming Gangs is a national investigation examining institutional failures to protect children from group-based sexual abuse. The cost of this inquiry is expected to be apportioned to police forces according to the prevailing national funding formula at the time of payment.

Motorway Speed Enforcement (Op Cabin)
The Department for Transport (DfT) has confirmed that National Highways is responsible for funding financial redress arising from erroneous speed enforcement linked to certain managed motorway cameras enforced on their behalf by Derbyshire Police. While police forces are involved in supporting the administration of the redress scheme, no liability resulting from this redress is expected to fall to the Police Force or the Police and Crime Commissioner. At the date of approval of these financial statements, the redress scheme has not yet been fully implemented, and the final scope remains subject to further approvals. Accordingly, no provision has been recognised in these accounts, but this matter is disclosed as a contingent liability.

McCloud
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 2026, 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.

PFI Contract
A significant long-term financial risk is the expiry of the St Mary's Wharf PFI contract in December 2030, for which there is a limited capital funding provision. The Force is currently liaising with the Home Office to try and secure future funding towards an exit strategy from the contract.

Contingent Assets

The Chief Constable has no contingent assets as at 31 March 2026.

Note 17 Unusable Reserves

Unusable Reserves	**31 March 2025 £'000**	**31 March 2026 £'000**
Revaluation Reserve	1	1
Capital Adjustment Reserve	19,219	19,802
Pensions Reserve	(1,557,666)	(1,521,329)
Accumulated Absence Account	(3,446)	(3,802)
Total Usable Reserves	**(1,541,892)**	**(1,505,328)**

Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction and enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Commissioner (intra group funding) as finance for the costs of acquisition, construction and enhancement.

The Movement on Reserves Statement details the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2024/25 £'000	2025/26 £'000
Balance as at the 1 April	**22,984**	**19,219**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
• Charges for depreciation and impairment of non-current assets	(4,890)	(5,392)
• Amortisation of Intangible Assets	(151)	(125)
• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(288)	(615)
Net written out amount of the cost of non current assets consumed in the year	**(5,329)**	**(6,132)**
Intra Group Funding	**1,564**	**6,714**
Balance as at the 31 March	**19,219**	**19,802**

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Chief Constable accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet these costs. However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside by the time the benefits come to be paid.

Pensions Reserve	2024/25 £'000	2025/26 £'000
Balance as at the 1 April	**(1,723,332)**	**(1,557,666)**
Transfer of Police Staff		
Actuarial gains or losses on pensions assets and liabilities	291,374	162,504
Asset Ceiling Adjustment	(91,382)	(104,732)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(107,486)	(100,855)
Employer's pensions contributions and direct payments to pensioners payable in the year	73,160	79,420
Balance as at the 31 March	**(1,557,666)**	**(1,521,329)**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, time off in lieu entitlement carried forward at the 31 March. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	2024/25 £'000	2025/26 £'000
Balance as at the 1 April	**(3,477)**	**(3,446)**
Settlement or cancellation of accrual made at the end of the preceding year	3,477	3,446
Amounts accrued at the end of the current year	(3,446)	(3,802)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	**31**	**(356)**
Balance as at the 31 March	**(3,446)**	**(3,802)**

Note 18 Authorisation of Accounts for issue

The 2025/26 Statement of Accounts were authorised for issue by the Director of Finance and Assets – S151 Officer on the 30th June 2026. All events after the balance sheet date until this date have been considered for disclosure as events after the balance sheet date.

Note 19 Post Balance sheet events

There are no post balance sheet events.

POLICE PENSION FUND ACCOUNT

2024/25 £'000		2025/26 £'000
	Contributions Receivable :	
(30,960)	Employer's actuarial rate	(32,651)
(524)	Employer's ill health retirement capital charges	(1,446)
(225)	Active members - 1987 Scheme	0
(1)	Active members - 2006 Scheme	(3)
(11,764)	Active members - 2015 Scheme	(12,402)
	Transfers In :	
(83)	Transfer values receivable	(39)
	Benefits Payable :	
61,400	Pensions	63,564
10,005	Commutations and lump sum retirement benefits	13,525
148	Death Grant Benefit	0
	Payments to and on account of leavers :	
154	Refunds of contributions	38
17	Transfer values payable	7
28,167	**Sub-total : Net amount payable for the year**	30,593
(28,167)	**Additional contribution from the Police and Crime Commissioner to fund the deficit for the year**	(30,593)
0	**Net amount payable/receivable for the year**	0
	Net Assets Statement	
	Current assets	
5,232	Pensions paid in advance	(5,450)
	Current Liabilities	
0	Unpaid pension benefits	0
(5,232)	Surplus for year payable to Police and Crime Commissioner	5,450
0		0

Notes to the Pension Fund Account

Note 1 Police Pensions Fund Account

The Police pension scheme is an unfunded single employer defined benefit scheme. This means that it provides pensions and other retirement benefits for police officers based on pensionable pay, but there are no investment assets built up to meet the pensions liabilities as they fall due.

Up until 2014/15 two police pension schemes were in operation, both of which gave retirement benefits based on 'final' salaries:

- **The 1987 Police Pension Scheme** - based on a maximum pensionable service of 30 years.
- **The 2006 Police Pension Scheme** (effective for police officers commencing from April 2006 onwards) - based on a maximum pensionable service of 35 years.

From the 6 April 2015 a new Police Officer pension scheme came into existence

- **The Police Pension Scheme 2015** - which provides retirements based on 'career average' salaries, meaning that the benefits receivable are based on a proportion of pensionable pay earned in each year of scheme membership.

The 1987 and 2006 schemes were closed to new members as from 31 March 2015 and were closed completely as from 31 March 2022.

31 March 2022 was the latest point to which existing members of the 1987 and 2006 schemes (as at 31 March 2015) could continue to accrue final salary benefits in those schemes under 'transitional protection' arrangements put in place when the 2015 scheme was introduced. In general terms to receive protection members had to be within 10 years of their normal point of retirement under their existing scheme rules. Depending on their age and length of service, protection was either 'full' (meaning they remained in their legacy scheme for the full 7-year period between 2015 and 2022) or 'tapered' (they remained in the legacy scheme for a proportion of the 7-year transitional period).

All existing officers at April 2015 not eligible for protection arrangements were automatically transferred into the 2015 scheme from that date. Similarly new officers joining the service on or after the 1 April 2015 were and are automatically entered into the 2015 Scheme. All members have a right to opt out of the scheme at any time.

At about the same period as the new 'career average' Police Officer scheme was implemented, similar schemes were also introduced for various other professions within the public sector, such as those for court judges, firefighters and civilian staff working in local government. Each had similar protection arrangements for members who were nearer to retirement. As those arrangements disproportionately benefited older members they were subject to a series of legal challenges on the basis of age discrimination.

Following rulings finding in favour of such challenges against the arrangements for judges and firefighters (the 'McCloud' and 'Sargeant' judgements), the Supreme Court denied the Government's request for an appeal against the rulings on 27 June 2019. As a result of this the Treasury announced on the 15 July 2019 that the rulings would apply to all of the main public service pension schemes and the Government afterwards stated that any remedial action implemented for claimants will be extended to all non-claimants who are in the same legal and factual position.

On 16 July 2020 HM Treasury published proposals for implementing a remedy to the age discrimination across all the public sector schemes affected by the rulings Following a period of consultation the key details of the Remedy were confirmed on 4 February 2021, including:

- **determination of which members should be eligible for remedy,** namely: <u>those who were members of a public sector pension scheme on or before the 31 March 2012 and on or after the 1 April 2015.</u>

- **determination of the period of remedy**, namely: <u>April 2015 to March 2022, with all active members being put into their respective CARE schemes from the 1 April 2022.</u>

- **the fundamental mechanism for achieving remedy**, namely: a 'Deferred Choice Underpin', meaning that <u>at the point they retire</u> each eligible member will be able to choose to have been in <u>either</u> their legacy pension scheme or their new scheme for the seven-year period of the remedy.

- **Confirmation that the legacy 1987 and 2006 schemes would close from 31 March 2022**

- **Determination that the retrospective remedy would come into force on 1 October 2023**

These details were enacted by the Public Service Pensions and Judicial Offices Act 2022 which received royal assent on 10 March 2022.

Each individual Commissioner is required by legislation to operate a Pension Fund Account and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation (Police Pensions Regulations 2007 Statutory Instrument 1932/2007).

Credits to the Pension Fund Account include a fixed employer's contribution, being an actuarially assessed % of pensionable salary. This employer's contribution is charged to the Comprehensive Income and Expenditure Statement and, along with officers' contributions, is paid into the Pensions Fund Account from which pension payments are made.

Employer and employee contribution rates are set nationally by the Home Office and are determined by a 4-yearly re-valuation of total scheme liabilities by the Government Actuary's Department. A re-valuation took place as of the 31 March 2020 and was used to set an employer contribution rate of 35.3% that was introduced by HM Treasury from April 2024.

Under these funding arrangements the Pension Fund Account balances to nil at the year-end by either receiving a contribution from the Commissioner to meet a deficit or making a payment to him equivalent to any surplus achieved. In 2025/26 a contribution of £28.923m was received, this being equivalent to the pension top-up grant receivable from the Home Office for that year.

The pension fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund, these expenses are borne by the Group Comprehensive Income and Expenditure Statement.

Costs of injury awards and ill health retirements are not part of the Pensions Fund Account and will continue to be paid from the Group Comprehensive Income and Expenditure Statement.

Note 2 Pension Fund Liabilities

The Pension Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the accounting period.

Note 3 Accounting Policies

Accounting policies conform to those set out in the Statement of Accounts (page 22 to 29).

Annual Governance Statement

1. Introduction

1.1. This Annual Governance Statement explains how the Chief Constable has complied with: -

- The Derbyshire Joint Code of Corporate Governance.
- Requirements of Regulation 6[1] (a) of the Accounts and Audit (England and Wales) Regulations 2015 in relation to the review of the effectiveness of the system of internal control.
- The Police Reform and Social Responsibility Act 2011 (the Act).

1.2. The Police and Crime Commissioner (Commissioner) and the Chief Constable have approved and adopted a Derbyshire Joint Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) Framework: Delivering Good Governance in Local Government: Guidance note for Police. A copy of the Joint Code of Corporate Governance can be obtained from the Office for the Police and Crime Commissioner for Derbyshire, Butterley Hall, Ripley, Derbyshire, DE5 3RS. It is also available on the Commissioner's website.

2. Scope of responsibilities

2.1. The Commissioner and the Chief Constable are responsible for ensuring that business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The Commissioner and Chief Constable are responsible under the Police Reform and Social Responsibility Act 2011 (the Act) for securing, inter alia, efficient, and effective policing for Derbyshire and to deliver value for money, being continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

2.2. In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of her affairs and facilitating the exercise of her functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

2.3. The Chief Constable for Derbyshire is responsible for maintaining the King's peace and has direction and control over the officers and staff operating within Derbyshire Constabulary. The Chief Constable holds office under the Crown and is appointed by the Commissioner.

2.4. The Chief Constable is accountable in law for the exercise of policing powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and expenditure by Derbyshire Constabulary. At all times the Chief Constable, her officers and staff remain operationally independent in the service to the public. In discharging her overall responsibilities, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

2.5. Under the Police Reform and Social Responsibility Act 2011 the Chief Constable's CFO has a personal fiduciary duty by virtue of their appointment as the person responsible for the proper financial administration of Derbyshire Constabulary. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure (Section 114 of the Local Government Act 1988 as amended by paragraph 188 of Schedule 16 to the Police Reform and Social responsibility Act 2011 ("2011 Act")). The Chief Constable's CFO is a key member of Derbyshire Constabulary's Chief Officer Team, helping it to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest. The CFO is actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer-term implications, opportunities and risks are fully considered. The CFO leads the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively. The CFO ensures the finance function is resourced to be fit for purpose and oversees that appropriate management accounting systems, functions and internal controls are in place so that finances are kept under review on a regular basis. The arrangements in place are in line with the expectations set out in the CIPFA Financial Management Code 2019 and the CIPFA Statement on the Role of the Chief Financial Officer of the Chief Constable (March 2021).

2.6. Under s.35 of the 2011 Act, in exercising her functions the Chief Constable must ensure that good value for money is obtained and this includes ensuring that persons under their direction and control obtain good value for money in exercising their functions.

2.7. Derbyshire Constabulary (as a standalone entity) is legally required to produce an Annual Governance Statement. This statement helps the Commissioner to hold the Chief Constable to account for efficient and effective policing. This statement sits alongside the Statutory Accounts for the Chief Constable and gives assurance to the Commissioner of Derbyshire Constabulary's governance arrangements.

3. The Governance Framework

3.1. The governance framework comprises the systems and processes, culture, and values by which the Chief Constable is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the Chief Constable to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The Force Management Statement also provides a source of assurance in respect of governance and performance and a high-level review of the CIPFA Code of Financial Management has not highlighted any significant areas of non-compliance.

3.2. The Constabulary's governance framework was in place at the year-end 31st March 2026 and is expected to be up to the date of the approval of the Statement of Accounts 2025/26.

3.3. This statement has been prepared for the 2025/26 financial year to state Derbyshire Constabulary's current governance arrangements, to report on their effectiveness during the year and to outline future actions planned to further enhance the arrangements.

3.4. Derbyshire Constabulary has adopted a joint code of corporate governance with the Commissioner, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. This statement explains how the Chief Constable has complied with the code and also meets the requirements of Section 6 of the Accounts and Audit Regulations (England and Wales) 2015 in relation to the publication of a statement on internal control. This is underpinned by the governance framework as follows.

3.5. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Constabulary's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively, and economically. Some of the significant control processes are outlined below.

4. Strategic Plans

4.1. The Commissioner's Police and Crime Plan sets out policing priorities and the resourcing of those priorities. It reflects the areas of greatest importance locally, identified through consultation with the public, or where performance improvement is required.

4.2. A project commenced in January 2025 to develop the Force Strategic Plan 2025-2029. The draft Force Strategic Plan 2025-2029 was launched in November 2025 and was finalised in June 2026. The Force Strategic Plan 2025-2029 incorporate requirements identified in the Force Management Statement, which is an annual self-assessment against the HMICFRS PEEL assessment framework together with activity to deliver against the Chiefs priorities and the Commissioners Police and Crime Plan. Significant stakeholder engagement has taken place with communities and across the organisation, to ensure the plan meets the needs of our communities and to ensure strong alignment across the organisation.

4.3. Our plans and our planning process are complementary to other partnership plans such as Community Safety Partnerships, Local Criminal Justice Board, Safeguarding Boards and Local Strategic Partnerships.

5. Organisational Structures and Processes

5.1. There is a clear management structure within the Force. The Chief Officer Team (COT) is responsible for determining policy, monitoring performance and developing Force plans to achieve the Force's overall strategic objectives and is assisted in this process by the Senior Leadership (SLT).

5.2. Decision making structures are well established and are regularly reviewed to ensure they are fit for purpose. The Chief Constable holds regular meetings, which are attended by the Constabulary's Chief Officer Team, Divisional Commanders and Heads of Departments and senior members of staff. These meetings are used to consult on and develop policy and ensure the engagement of the senior managers of the organisation in change. The Police and Crime Plan objectives are cascaded throughout the Constabulary through the Force Strategic Plan and Force priorities which are monitored at the appropriate governance boards. There is a Police and Crime Delivery Plan Tracker that provides the Commissioner with direct access to provide progress and performance updates against the Plan.

5.3. The Commissioner approves an annual budget for the Constabulary activity which is aligned to the Police and Crime Plan and the Force Strategic Plan.

6. Corporate Governance Reporting and Processes

6.1. Derbyshire Constabulary's Chief Officer Team, led by the Chief Constable, is responsible for ensuring Derbyshire Police has a corporate governance framework that reflects the principles of openness, integrity, accountability, and equality, and supports the delivery of quality policing.

6.2. The governance framework enables Derbyshire Constabulary to monitor the achievement of its strategic objectives set out in the Strategic Plan and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money. An annual review of this framework takes place and appropriate improvements are made to ensure that it remains fit for purpose.

6.3. A new Performance Framework was developed in force from April 2024 this was further developed during 2024/25 and the governance structure that has been in place for 2025/26 is set out below.

4.4 The Chief Constables Assurance Board has responsibly for holding senior leaders to account for progress against the strategic plan. It receives regular updates on key workstreams and emerging risks.

6.4. The Performance Assurance Board (PAB) has responsibility for all issues related to performance across the organisation. Each Assistant Chief Constable chairs a board covering strategy and policy for their portfolios, with anything performance related going through PAB. 'Business as usual' meetings within the force feed upwards through the relevant governance meeting into PAB.

6.5. The Strategic Change Board (SCB) is the main board within Force where decisions on the strategic change/initiatives are made. It will approve the funding of significant programmes, set the strategic business priorities, and agree growth within Departments. It has oversight and governance of agreed changes for areas of high priority to Derbyshire, ensuring efficiencies and value for money.

6.6. The Force Audit and Assurance Board ensures a positive and robust response to areas for improvement and recommendations. The board will seek assurance on the progress and current position of all open Force Areas for Improvement (AFIs) and other inspections and audit recommendations.

Governance Structure 2025/26

6.7. The governance structure has been reviewed in May 2026, and the Force Audit Assurance Board has been split into HMIC Oversight Boad and an Organisational Learning Board, this has been driven by the requirement to ensure the organisation improves the way in which it records, tracks and implements organisational learning.

Governance Structure May 2026

7. Risk Management

7.1. An infrastructure has been established to support the effective management of risk and ensure that information on risks is gathered and acted on in a consistent and efficient manner. The Risk Management Group annually reviews the Risk Management Policy Statement and policy guidance and meets in year to consider changes in risk and mitigation.

7.2. The Constabulary recognises exposure to a wide and diverse range of risks and opportunities in securing the delivery of priorities and objectives. All employees, volunteers, contractors, and partners are responsible for identifying and managing risks as part of their role and the Assistant Chief Officer for Resources, as the corporate sponsor, ensures that risk management is supported and championed at Chief Officer Team level and throughout the Constabulary.

7.3. The Risk Management Policy provides clear guidance by which the Constabulary manages uncertainty in a structured and effective way. The risk management framework and infrastructure provide a solid foundation for risk management and standard for consistency, ensuring that information on risks is gathered and acted upon in an efficient manner. This is captured in a computerised system to manage risks and enable greater analytical information and appropriate reporting of risks.

7.4. Risk management is fully embedded into the business planning process to identify the threat, harm and risk facing the Constabulary in order to prioritise and identify areas which need resourcing. The Constabulary maintains a hierarchy of risk registers for strategic, operational, project and programme risks. Each risk is assigned to the appropriate governance board for oversight and assurance. The corporate risks are regularly subject to review and scrutiny by the JARAC.

7.5. The Risk Management Board, chaired by the Assistant Chief Officer for Resources, meets quarterly to monitor changes to the Constabulary risk profile and process. The Commissioner has a risk champion who attends the meeting to maintain a strategic overview of risk management issues in the Constabulary. This is attended annually by a member of the JARAC.

8. Business Continuity

8.1. Derbyshire Constabulary has robust plans in place to ensure business continuity following incidents. The Business Continuity Steering Group, comprising of relevant departmental representatives assist the Business Continuity Manager in developing the business continuity management process and respond to any business continuity crisis, as required.

8.2. Business Continuity arrangements involve close liaison with other partners and business continuity links have been strengthened with Derbyshire Fire & Rescue Service. Recent experiences encountered during Brexit and the Covid pandemic successfully demonstrated how we work with a wide range of partners across Derbyshire to provide a joint response in planning and managing major incidents and disruption.

9. Established Polices, Procedures and Regulations

9.1. The Financial Regulations and Financial Management Handbook clearly defines how decisions are taken and the processes and controls required for managing risk. The Financial Handbook is regularly reviewed to ensure that it continues to be aligned to the structure of the Constabulary and the OPCC and is reviewed and updated regularly to ensure it remains fit for purpose. The last review of the Financial Regulations and Financial Management Handbook was April 2026. A Scheme of Delegation sets out financial authorisation levels for police officers and staff throughout the organisation.

9.2. Processes for ensuring compliance with relevant law and regulations are well established and work effectively. The Director of Finance and Assets has statutory responsibilities in this regard, and Internal Audit provides an assurance function and an annual independent objective opinion on the control environment, comprising risk management, internal control, and governance.

9.3. All reports to the Chief Officer Team and Governance Boards together with all reports presented to the Commissioner must consider legal implications.

9.4. A confidential reporting policy is in place to enable officers and staff to report any concerns about malpractice or unlawful actions without fear of recrimination.

9.5. The Commissioner has made a commitment to putting things right and has a range of policies in order to deal with public complaints. Complaints against the Chief Constable are dealt with by the Commissioner; complaints against police officers or police staff that are under the direction of the Chief Constable are dealt with by the Chief Constable.

9.6. Complaint handling in Derbyshire Constabulary is monitored in regular meetings between the Head of Professional Standards Department and the Head of Governance & Compliance / Monitoring Officer of the OPCC or the Independent Police Complaints Commissioner.

10. Internal and External Audit

10.1. Internal audit provides independent assurance over key controls and governance arrangements. Findings and assurance opinions are reported through the appropriate forums, with management responses and improvement actions agreed and monitored. Where audit activity identifies areas for improvement, these are addressed through targeted action plans and ongoing oversight to ensure timely implementation and sustained improvement. External audit activity provides additional assurance over financial governance and reporting arrangements and complements the wider assurance framework.

11. Joint Audit Risk and Assurance Committee (JARAC)

11.1. A Joint Audit Risk and Assurance Committee (JARAC) is in place, it carries out a role similar to that of an audit committee but acts in an advisory and assurance capacity. It provides independent assurance to both the Commissioner and the Chief Constable on the adequacy (excluding Professional Standards) of: -

- Risk Management and the internal control framework of the Commissioner and Chief Constable.
- Governance arrangements including providing for value for money.
- Support and review work of audit providing assurance on risk management, internal controls, and the annual accounts.
- Appointment of internal audit & recommendations on external audit provision.
- Appropriate scrutiny of annual accounts including the financial reporting process.

12. Role of the Chief Finance Officer

12.1. CIPFA have published a ‘Statement of the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable’, which describes the role and responsibilities of the CFO and sets out the five key principles that define the core activities and behaviours that underpin the role and the organisational requirements required to support them. There is an expectation that organisations will comply with the statement or explain their reasons for not doing so.

12.2. The five key principles are that the CFO: -

- Is a key member of the leadership team, helping it to deliver and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest.
- Must be actively involved in and able to bring influence to bear on all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer-term implications, opportunities and risks are fully considered and align with the overall financial strategy.
- Must lead and encourage the promotion and delivery of good financial management, so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- Must lead and direct a finance function that is resourced to be fit for purpose.
- Must be professionally qualified and suitably experienced.

12.3. The Chief Finance Officer undertakes the role in accordance with the arrangements detailed in the Home Office Financial Management Code and compliance with the CIPFA Financial Management code.

12.4. Following the retirement of the Chief Finance Officer in March 2025, temporary arrangements were put in place for the role of CFO until October 2025, when a new Director of Finance and Asset started in post which is the designated CFO and Section 151 Officer for the Force.

13. Standards of Behaviour

13.1. Codes of conduct are in place for police officers and police staff. Relevant officers in the Constabulary are also subject to professional codes of conduct for their particular profession. For example, the Chief Constable's Chief Financial Officer is bound by the code of the Chartered Institute of Public Finance and Accountancy (CIPFA), of which she is a member.

13.2. The Code of Ethics, produced by the College of Policing, sets and defines the exemplary standards of behaviour for everyone who works in policing. The policing principles and standards of behaviour in the Code of Ethics promotes, reinforces, and supports the highest standards for everyone who works in policing in England and Wales. As a force, we are committed to the national Code of Ethics policing principles.

13.3. The force is clear on the standards it expects from its employees – as set out in the Code of Ethics. All new employees are made aware of this, and the wider behaviour expected along with how to raise concerns of potential corruption. All new joiners are given a PSD input during their initial training period by our prevention officer and covers everything from the standards of professional behaviour, code of ethics, notifiable associations, business interests etc. This is also reinforced to all employees on a regular basis, be this through lessons learnt or the outcomes of misconduct processes. These are communicated to all employees and where necessary, changes are made to relevant practices and procedures.

13.4. At least once a year, the Constabulary's policy on professional standards is reviewed by Professional Standards and assessed based on its effectiveness and discrepancies over that period. Derbyshire Constabulary expects all members of staff to always be honest, truthful, and sincere. We will uphold, administer, and enforce all laws without bias or prejudice in a just, consistent, and reasonable manner.

13.5. Guidance on use of co-pilot was issued across the Force in May 2025, and a full Artificial Intelligence (AI) policy is under development.

14. Review of Effectiveness

14.1. The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within Derbyshire Constabulary at least annually. This review is informed by the work of the Director of Finance and Assets and Senior Leaders within Derbyshire Constabulary who have responsibility for the development and maintenance of the governance environment and informed by the following assessment.

14.2. Maintaining and reviewing the effectiveness of the governance framework throughout the financial year has been carried out by the following:

- Joint Audit Risk Assurance Committee (JARAC)
- Internal audit

- External audit
- HMICFRS (Her Majesty's Inspectorate of Constabulary and Fire & Rescue
- Management Review

Joint Audit Risk Assurance Committee (JARAC)

14.3. There were four JARAC meeting held during 2025/26 and an extraordinary meeting to sign off the 2024/25 final accounts was also held in February 2026. The four public meeting considered the following:

Month of meeting	Areas covered
April	External Audit Update
	Internal Audit Update
	Critical Incident Policy
	Force/OPCC Complaints Update
	Year-end Accounting Arrangements and Accounting Policies
	Financial Monitoring 2025/26
	Stock Control Update
	Data Quality Update
	HMIC Activity Update
July	External Audit Update
	Internal Audit Update
	Contract Management Policy
	Statement of Accounts and Annual Governance Statement
	Financial Monitoring 2025/26
	Annual Financial Exception Reporting
	Risk Management Update
	Savings Programme Update
	Procurement Update
	Environmental Update
October	External Audit Update
	Internal Audit Update
	Financial Monitoring 2025/26
	Contract Management Policy
	JARAC Annual Report
	Force Complaints Update
January	External Audit Update
	Internal Audit Update
	Financial Monitoring 2025/26
	Budget Report 2026/27
	Risk Management Update
	Information Sharing Policy
	Strategic Workforce Planning Update
	Fleet Management Update
	Health and Safety Training annual report
	OPCC Complaints Update

14.4. The JARAC annual report details the area of work and focus of the committee for the year to provide independent assurance to the Commissioner and Chief Constable on the elements of the governance framework.

Internal Audit

14.5. The Head of Internal Audit Opinion has reported that **"*On the basis of our internal audit work, our conclusion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. This conclusion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.*"**

14.6. Of the 10 audits undertaken during 2025/26, where a formal assurance level was provided, 2 received a Substantial level of assurance, 6 audits received a Moderate level of assurance, and 2 audits received a Limited level of assurance (Skills Audit and IT Legacy Systems). A total of 23 new recommendations were made during the year at the Force and OPCC, with no recommendation categorised as High priority and 14 recommendations categorised as Medium priority and 9 recommendations categorised as Low priority. The recommendations raised were done so to enhance the existing framework or highlight areas of weakness within the current control environments. The Constabulary has already put in place actions and plans to address these weaknesses and implement the recommendations made by Internal Audit.

14.7. The Audit findings in respect of each review are summarised below.

Audit area	Assurance level	Recommendations				Accepted	Not accepted
		High (Priority 1)	Medium (Priority 2)	Low (Priority 3)	Total		
Governance & Oversight	Substantial	-	-	1	1	1	
Risk Management	Substantial	-	-	2	2	2	-
Positive Action – Promotion / Recruitment	Moderate	-	1	1	2	2	-
Core Financials	Moderate	-	2	2	4	4	-
Custody Governance	Moderate	-	2	-	2	2	-
OPCC Performance & Delivery - DRAFT	Moderate	-	-	2	2		-
Mobile Device Management - DRAFT	Moderate	-	1	-	1		
Fleet Standards - DRAFT	Moderate		1	1	2		
Skills Audit	Limited	-	4	-	4	4	-
IT Legacy Systems - DRAFT	Limited		3		3		
Assurance Framework	Advisory						
Total		-	14	9	23	15	-

External Audit

14.8. The Audit of the Statement of Accounts for 2024/25 is complete and was formally concluded by our auditors Grant Thornton UK LLP on 25th February 2026, the Audit Certificate has been issued, and the accounts were published on 27th February 2026, in line with the backstop deadline set out within 'The Accounts and Audit (Amendment) Regulations 2024'. In their Final Auditor's Annual Report for 2024/25, the External Auditor reported they have issued disclaimers of opinions for financial statements 2024/25 on the basis they were unable to satisfy themselves over opening balances, as well as in-year movements of PPE, the LGPS pension liability, and the PPS pension liability, which has also resulted in uncertainty over closing balances of PPE and reserves.

14.9. The disclaimed opinions are owing to the challenges of undertaking an audit where the previous years' audits were subject to backstop-related disclaimed audit opinions. Whilst the External Auditors completed a significant amount of audit work, it was not possible to undertake sufficient work to gain assurance on opening balances and comparative year figures meaning that External Auditors are unable to support an unmodified audit opinion in advance of the backstop date of 27 February 2026.

14.10. As Grant Thornton took on the External Auditor Role from 2023/24 the disclaimed opinions for previous years (2021/22 and 2022/23 increased the volume of work required in auditing the 2023/24 and 2024/25 Financial Statements to build back to a clean opinion. A plan has been agreed by the Force and the External Audit team with the aim of completing the building back assurance work in the 2025/26.

14.11. It is important to highlight that the disclaimed opinion does not mean that the Financial Statements are mis-stated; it is a reference to the lack of resources or time available to reach a conclusion. The disclaimed opinion should not be seen as a reflection on the quality of the financial statements or of THE Force's commitment to work with our external auditors in responding to information requests.

14.12. The External Auditors commentary on the arrangements to secure Value for Money (VFM) in the use of our resources concludes they have identified no significant weaknesses and that there are proper arrangements in place in relation to financial sustainability, governance and improving economy, efficiency and effectiveness.

14.13. The External Auditor have made one improvement recommendation in relation to Financial Sustainability relation to the ongoing work to strengthen the identification and delivery of savings to manage ongoing financial pressures and ensure the capital programme and reserves strategy is reviewed and updated. This action has been implemented and is an ongoing requirement.

14.14. In relation to improving economy, efficiency and effectiveness the External Auditor also highlighted the Force is still actively addressing the Areas For Improvement highlighted in the latest His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) PEEL inspection.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

14.15. During 2023/24 His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) conducted a PEEL 2023–25 Inspection. The Inspection assessed how good Derbyshire Constabulary is in nine areas of policing and made graded judgements in eight of those areas. The Constabulary was graded '**Good**' at Preventing Crime and received a grade of **'Adequate'** in three areas and **'Requires Improvement'** in 4 areas:

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

14.16. The Inspection report indicated that as a force we are making progress and found that the constabulary had responded and addressed many of the areas for improvement from the previous PEEL Inspection report (2022) and recognised that the scale of change needed means that some improvements needed more time to achieve. There were however important areas of policing - investigating crime, responding to the public and protecting vulnerable people, which still required improvement.

14.17. The Report highlighted that the constabulary needed to make sure its investigations are effective and properly supervised and that it needed to improve outcomes for victims of crime and make sure that victims are receiving the level of service they are entitled to. The report commented that the constabulary isn't yet providing a good service for the public in some key areas, such as responding to the public, investigating crimes and protecting vulnerable people.

14.18. The Constabulary remains focused on improving its performance and the service we provide to the public and All Areas For Improvement (AFI's) highlighted from the PEEL Inspection are aligned to governance boards for regular updates and with a requirement to demonstrate progress and improvement.

14.19. The force made strong progress against its AFI's during 2025/26 with the following areas from the latest PEEL Inspection being successfully closed:

Responding to the Public - Requires Improvement
The constabulary needs to improve the time it takes to answer emergency calls
Leadership and Force Management - Requires Improvement
The constabulary should scrutinise the implementation of any change to make sure they are achieving the intended aims
Police powers and treating the public fairly and respectfully - Adequate
The constabulary needs to improve its officers' confidence in using stop and search as an investigative tactic
The constabulary needs to improve its training for recording the use of force, and better support officers to follow force policy and improve data quality

14.20. The remaining AFI's are being managed carefully across the organisation with plans in place to address these gaps.

Responding to the Public - Requires Improvement
The constabulary needs to attend calls for service in line with its published attendance times, make sure there is effective supervision of deployment decisions and update the caller if there are delays.
The constabulary needs to better support officers to make the most of early evidence opportunities. (Now encompasses improving providing evidence preservation advice)
Investigating Crime - Requires Improvement
The constabulary doesn't consistently achieve appropriate outcomes for victims.
The constabulary should make sure there is supervisory oversight of investigations ensuring that all appropriate investigative opportunities are taken.
The constabulary needs to make sure that it complies with the requirements of the Code of Practice for Victims of Crime (VCOP).
Leadership and Force Management - Requires Improvement
The constabulary should ensure visibility of leaders at all levels to ensure staff are appropriately supported and challenged.
The constabulary should ensure problems and performance issues are raised to the appropriate level of governance.
Building, Supporting and protecting the workforce - Adequate
The constabulary needs to do more to support the development and inclusion of people from under-represented groups.

14.21. Under Leadership and Force Management section of the Report, HMICFRS found that:

- The constabulary shows effective financial management. It makes the best use of the finance it has available, and its financial plans are well thought out and sustainable.
- There is a clear link between the constabulary's financial plans and its other plans and priorities.
- The medium-term capital plan shows that the constabulary invests in its services to achieve improvements in performance.
- The financial forecasts in the medium-term financial plan are based on realistic assumptions about future funding and expenditure.
- The constabulary's financial plans are affordable, but it will need to consider a potential exit from a private finance initiative.

14.22. In February and March 2026 His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) completed a National Child Protection Inspection (NCPI) into Derbyshire Constabulary's child protection arrangements. In April 2026 the HMICFRS issued an accelerated cause of concern as it was found that the force was inadequately identifying and responding to risks involving children.

14.23. Derbyshire Constabulary fully accepts these findings and has produced a detailed improvement plan for HMICFRS. The improvement plan will be monitored by both the Constabulary and HMICFRS.

Management Review

14.24. This review is informed by the work of the Director of Finance and Assets and Senior Leaders within Derbyshire Constabulary who have responsibility for the development and maintenance of the governance environment.

Internal Control Action Plan 2026/27

14.25. Following the review of the effectiveness of the governance framework and the assessment of internal controls and in response to JARAC Annual Report recommendation to the Commissioner and Chief Constable, the following areas have been identified as internal control improvements to take place in 2026/27:

Improvement Area Action	Action Owners
Timely implementation of Internal Audit recommendations to include explanations of delays.	Head of Corporate/ Director of Finance and Assets
To move away from disclaimer opinions on the Statement of Accounts as soon as possible.	Director of Finance and Assets/Head of Finance
To develop an approach for promoting and embedding the Financial Handbook across the organisation.	Director of Finance and Assets/Head of Finance

To improve consistent application of governance principles to option appraisals and investment decisions, ensuring business cases are robust and go through all appropriate channels.	Director of Finance and Assets/ Head of Change

15. Significant issues for governance in 2026/27

Devolution - Abolishment of Police and Crime Commissioners

15.1. In November 2025, The Home Office announced that Police and Crime Commissioners (PCCs) will be abolished across England and Wales by May 2028. This will result in the transfer of Derbyshire police governance functions to East Midlands Combined County Authority (Mayoral Authority).

White Paper on Police Reform

15.2. In January 2026, the Home Office published the Police Reform White Paper entitled "from local to national: a new model for policing. The longer-term ambition from the paper is to have fewer and larger forces with an "optimal configuration" of regional police forces. The reforms aim to shift to a more centrally directed, technology-driven model while simultaneously trying to strengthen local neighbourhood policing. A new, centralised National Police Service will be created to manage national responsibilities, including counter-terrorism, serious and organised crime, and regional crime units. The NPS will take control of forensics, IT, and procurement from local forces. The Home Office published the "Independent review of police force structures: terms of reference" in March and appointed Lord Horgan-Howe as the independent lead for the review. The Independent Review of Police Force Structures is expected to report later in the summer 2026.

Force Leadership

15.3. In May 2026, the Chief Constable retired from the Force, the PCC has appointed a Temporary Chief Constable which has resulted in temporary appointments to Deputy Chief Constable and one Assistant Chief Constable. The temporary appointment will provide consistent strategic direction, strong operational oversight and organisational resilience during a challenging period which include:

- Preparation for the Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)
- Ongoing strategic and operational performance management
- Preparatory work for the 2027–2028 budget-setting cycle

Internal Audit

15.4. The 2026/27 Internal Audit Plan is to be approved by JARAC Committee in July 20256. It includes provision for 11 audits during 26/27. These are:

• Financial Fraud
• Disciplinary Process
• Workforce Planning
• Violence Against Women and Girls (VAWG) Strategy
• Core Financials
• Data Quality Follow Up
• Force Partnership Working
• Environmental Sustainability Follow Up
• Freedom of Information and Subject Access Requests
• Capital Programme
• IT Cyber Security

External Audit

15.5. Grant Thornton will be working with the Finance Team to complete the building back assurance work needed to move away from a disclaimed opinion. The External Auditors are working to complete the external audit by 30 November 2026, although the statutory back stop date for the 2025/26 Statement of Accounts is 31 January 2027.

HMICFRS

15.6. The Force will continue to implement the HMICFRS recommendations from previous Force and sector inspections and any future HMICFRS spotlight/sector wide inspections.

15.7. The HMICFRS have commenced the Derbyshire Constabulary police effectiveness, efficiency and legitimacy (PEEL) programme inspection for the 2025-2027 cycle in April 2026, with the main field work scheduled for September 2026. The PEEL programme 2025-2027 assess police forces against the characteristics of good performance. The inspection will grade the Force against each assessment area and identify areas for improvement.

Financial Sustainably

15.8. The Force set a balanced budget for 2026/26 after reducing police staff posts through Mutually Agreed Resignation Schemes and Force Service Reviews. The budget forecasts show a forecast budget gap of £3.8m for 2027/28 with an increasing funding deficit in future years. The Force has outlined a Financial Sustainability Plan in the Medium-term Financial Strategy setting out the approach to savings. A significant long-term financial risk remains the expiry of the St Mary's Wharf PFI contract in December 2030, for which there is limited funding provision. The Force is working with the Home Office to explore available options.

19. Declaration

19.1. This Annual Governance Statement demonstrates that a sound governance and decision-making framework exists in Derbyshire and is subject to regular review. Where significant governance or control issues are identified, an action plan is produced to address them. We propose over the coming year to further enhance and embed our governance arrangements and respond to the HMICFRS areas for improvement. We are satisfied that these steps will ensure that Derbyshire Constabulary's governance processes continue to remain effective in a changing environment and that our decisions are open and accountable.

Signed:

Simon Blatchly QPM
Chief Constable of Derbyshire Constabulary

Date:

Signed:

Bev Bull CPFA
Director of Finance and Assets - S151 Officer
Derbyshire Constabulary

Date:

DEFINITIONS

Accounting Period
The period of time covered by the accounts, normally a period of twelve months commencing on 1 April.

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

Agency and Contracted Services
Services which are performed by, or for, another Authority or public body where the agent or contractor is reimbursed for the cost of work done.

Budget
A statement of the Group's (financial) plans for a specific period of time. A budget is prepared and approved by the Commissioner prior to the start of the financial year. The Commissioner's budget is prepared on an out-turn basis which means that increases for pay and prices during the financial year are contained within the total budget figure.

Capital Adjustment Account
The capital adjustment account reflects the difference between the cost of fixed assets consumed and the capital financing set aside to pay for them. It provides a mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital controls system.

Capital Expenditure
Expenditure on the acquisition of a fixed asset or expenditure which adds to the life or value of an existing fixed asset.

Capital Financing Requirement
The Capital Financing Requirement represents capital expenditure financed by borrowing and not by capital receipts, revenue contributions, capital grants or third party contributions at the time of spending. It measures the Commissioner's underlying need to borrow for a capital purpose.

Chief Constable
The Chief Constable is a separate corporation sole which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

CIPFA
The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public services.

Commutations and lump sum retirement benefits
These are the amounts paid to officers when they retire, if they choose to have a lower pension.

Contingent Assets/Liabilities
A potential asset/liability at the balance sheet date when the accounts are submitted for approval. The asset/liability will be included in the balance sheet if it can be estimated with reasonable accuracy otherwise the asset/ liability will be disclosed as a note to the accounts.

Corporate and Democratic Core
This represents the costs of delivering public accountability and representation in policy making and meeting our legal responsibilities.

Creditors
Amounts owed for work done, goods received or services rendered which have not been paid for by the end of the financial year.

Debtors
Sums of money due for work done or services supplied but not received at the end of the financial year.

Defined Benefit Scheme
A pension or other retirement benefit scheme, with rules that usually define the benefits independently of the contributions payable and where the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

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

Fixed Assets - Intangible
Intangible assets are defined as ‘non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights’ , for example, software licences.

Formula Grant Distribution System
A mechanism by which Central Government determines how much Revenue Support Grant, Home Office Police Grant and Business Rates each local authority should receive in a given year to provide a common level of service. For the police service it is principally based on the resident and daytime populations, plus relevant socio-economic characteristics, for the area covered by an authority.

Group
The term Group refers to the Commissioner and the Chief Constable.

Impairment
A reduction in the value of a fixed asset below the amount shown on the balance sheet.

Leasing
A method of financing capital expenditure where a rental charge is paid for a specified period of time. There are two main types of leasing arrangements:-

(a) finance leases which transfer all of the risks and rewards of ownership of a fixed asset to the lessee and such assets are included within the fixed assets in the balance sheet.
(b) operating leases where the ownership of the asset remains with the leasing company and the annual rental is charged direct to the revenue account.

Net Book Value
The amount at which Plant and Equipment are included in the balance sheet and being their historical cost or current value, less the cumulative amounts charged for depreciation.

Non Distributed Costs
The cost of discretionary benefits awarded to employees retiring early. These are overheads which are not charged or apportioned to activities within the service expenditure analysis in the Operating Cost Statement.

Police and Crime Commissioner (PCC)
The Police and Crime Commissioner (PCC), known as the ‘Commissioner’, is a separate corporation sole which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

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

Receipts and payments
Amounts actually paid or received in a given accounting period irrespective of the period for which they are due.

Revaluation Reserve
This reserve records the net gain (if any) from revaluations.