OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE

DRAFT STATEMENT OF ACCOUNTS 2025/26

SUBJECT TO AUDIT AND SUBJECT TO CHANGE

OFFICE OF POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE
STATEMENT OF ACCOUNTS
YEAR END 31 March 2026

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NARRATIVE REPORT

Introduction

These accounts set out the overall financial position of Derbyshire Police for the year ended 31 March 2026.

External Environment

Derbyshire Police 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. There are more than 70 different languages spoken in Derbyshire.

Organisational Model

The Commissioner may choose to employ a Deputy and employs staff to assist them in discharging their core functions. Further details on the current Office structure for the Police and Crime Commissioner in Derbyshire are available on the Commissioner's website at: [Office Structure Chart | Office of the Derbyshire Police and Crime Commissioner (derbyshire-pcc.gov.uk)]

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.

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

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

The Derbyshire Police and Crime Plan is an overview of the areas of policing that will take precedence during the Commissioner's term of office. It sets out a series of goals to improve confidence and public satisfaction and includes the Constabulary's current risks and threats, as well as the Constabulary's priorities. All newly elected commissioners are legally obliged to publish a plan as soon as possible to inform the public how they intend to fulfil their election pledges. A new Commissioner was elected in May 2024. The Police and Crime Plan 2024-2029 was presented to the Police and Crime Panel in 7 November 2024. A copy of the Police and Crime Plan 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 at Police and Crime Plan | Office of the Derbyshire Police and Crime Commissioner (derbyshire-pcc.gov.uk)

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 Chief Constable to recognise the financial transactions incurred during 2025/26 for the delivery of policing services by Derbyshire Constabulary.

The purpose of the Narrative Report is to outline the financial performance, financial position and cash flows of the Commissioner and PCC Group during 2025/26 and provide an overview of the most significant matters reported in the accounts.

The 2024/25 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 Commissioner and PCC Group required under the 2025/2625 Code consist of: -

Comprehensive Income and Expenditure Summary (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Commissioner raises taxation to cover expenditure in accordance with statute and regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves, which have been set aside for specific purposes to meet known commitments. The Statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The 'Net Increase/Decrease' line shows the statutory General Reserve Balance movements in the year following those adjustments.

The Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities. The net assets (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that 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), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

The Cash Flow Statement

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

Accounting Policies

Accounting policies are the specific principles, conventions, rules and practices that are applied in preparing and presenting the annual accounts. The accounting policies 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) is included within this Statement of Accounts. The statement is a statutory document which explains the governance processes and procedures in place to enable Derbyshire Police to carry out its functions effectively.
- 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.

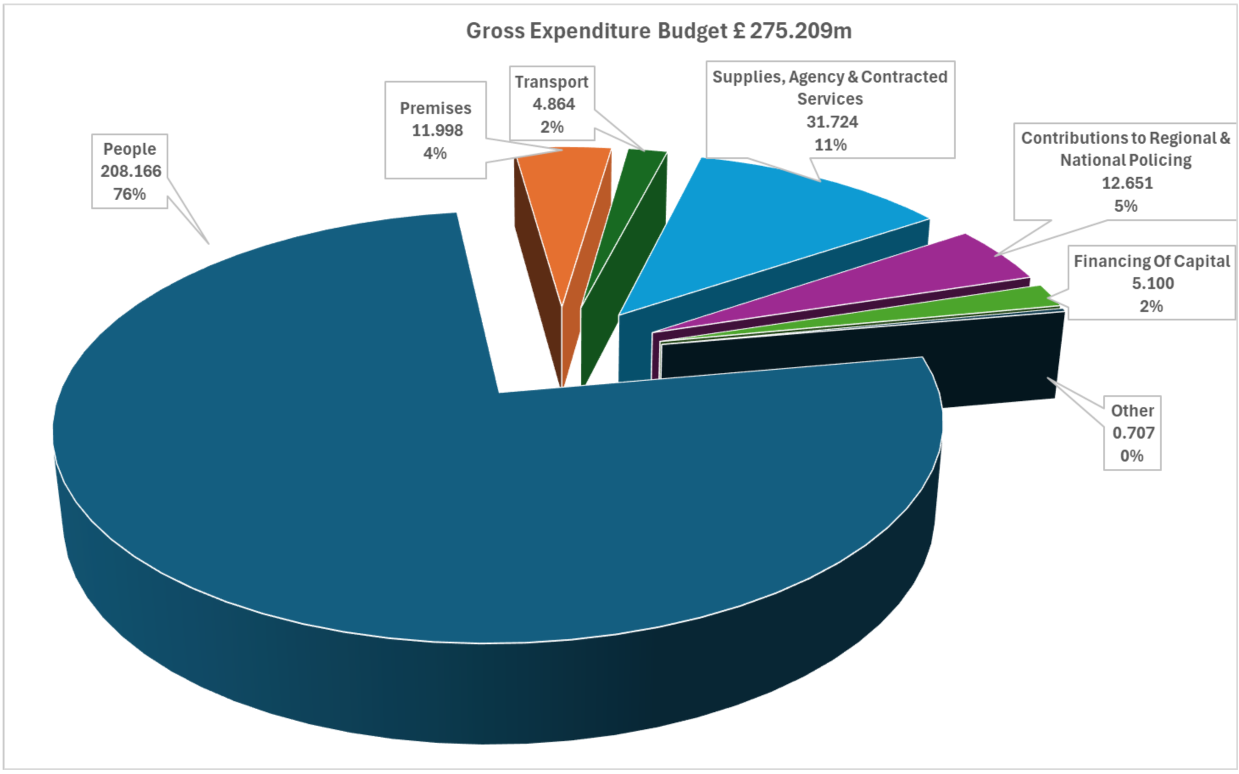
As a result of what is known as the 'gearing' effect (the ratio of government grants to overall funding), the impact of annual increases in grant on the overall budget can vary markedly between different forces. During the period 2014/15 to 2025/26 the Constabulary's revenue budget has increased by 47.7% 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

This section provides an introduction and a broad analysis of the Group's performance and position for 2025/26

Deficit on the Provision of Services

The Comprehensive Income and Expenditure Statement for the year shows a deficit on the provision of services of **£22.681m.**

However, this outcome reflects the 'full accounting costs' attributable to the year as required by the Code of Practice on Local Authority Accounting. This includes a number of technical adjustments relating to pensions and capital charges which are reversed in the Movements in Reserve Statement to give a more realistic measure of performance in the year of the amount funded from local taxation.

Net Expenditure against Revenue Funding Income (2025/265 Revenue Budget) - Performance against budget

A more significant measure of financial performance in the year is the level of **Net Expenditure** incurred against the principal streams of revenue funding that make up the Group's Revenue Budget.

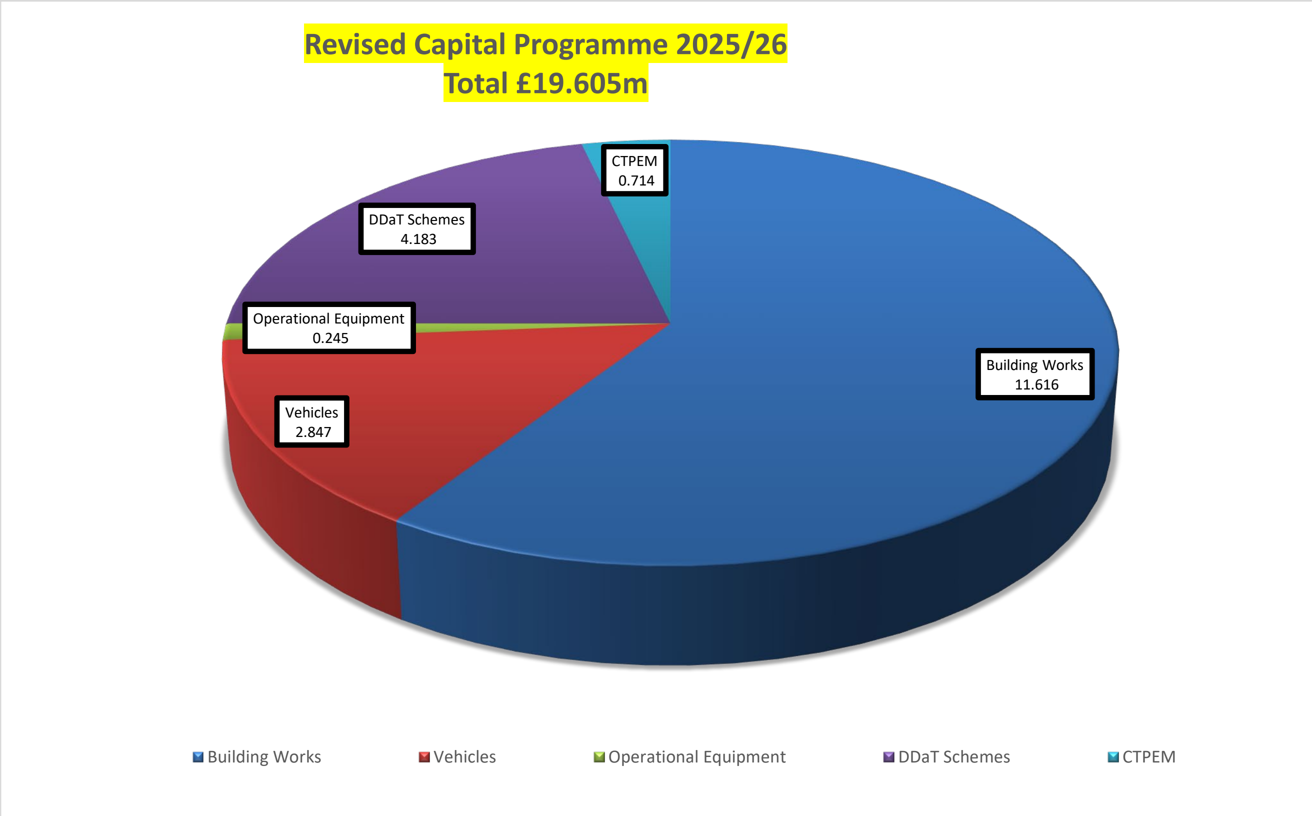
Net expenditure was incurred against the Revenue Budget for the Group of some **£240.776m**, which represented a 1**%** underspend against budget. A more detailed breakdown of the outcome against the revenue budget for 2024/25 is available in the Chief Constable's Statement of Accounts. Statement of Accounts | Office of the Derbyshire Police and Crime Commissioner (derbyshire-pcc.gov.uk)

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**

This expenditure was funded by: Borrowing (£12.730m), External Grant and Contributions (£1.502m) and 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, ie, comms & network equipment, end user devices, telephony system, body worn video, digital interview recoding and ANPR

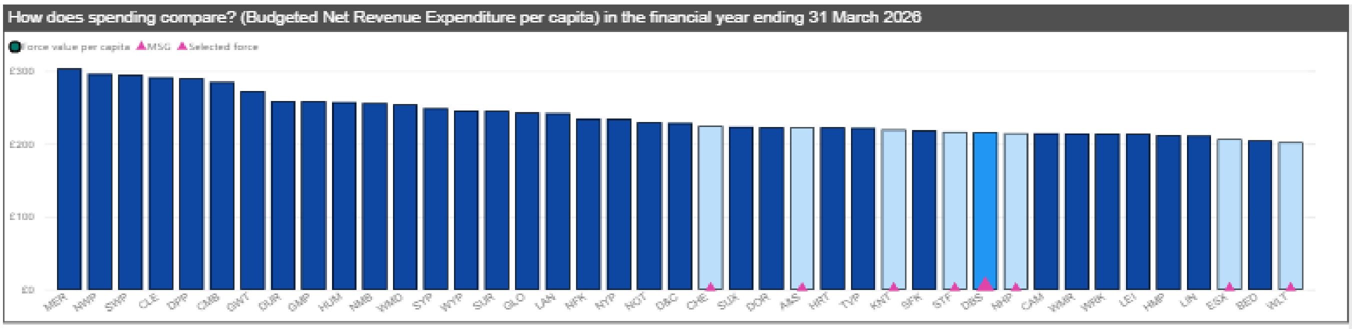
Treasury Management

- Cash Flow Management - During 2025/26 the Group continued to be a net lender of funds, which means that it lent out more than it borrowed to manage its cashflow.

- Investment of Surplus Funds – Rates have started to fall in 2025/26, albeit slower than originally projected. Surplus cashflow resulting from the slippage in the Capital Plan has been invested resulting in increased investment income.
- Borrowing for capital purposes – Borrowing of £19m was taken out during 2025/26.
- Prudential Indicators - In undertaking its treasury management functions during the year, the Group managed its activities within the prudential indicators and approved Treasury Management policy.

<u>Value For Money</u>

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

The Office of the Police and Crime Commissioner reviews Derbyshire Constabulary's performance through the statistics and reports published by national bodies such as Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), the Office of National Statistics, the Ministry of Justice, and through Derbyshire Constabulary's own performance management and monitoring tools. Regular governance meetings are held with the Chief Officer Team to discuss performance and to ensure that any new patterns in crime and offending within the county are being addressed.

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.

Andrew Dale
Chief Operating Officer & s151 Officer
30th June 2026

STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required: -

- to make arrangements for the proper administration of the Office of the Police and Crime Commissioner's financial affairs and to secure that one of its officers (Chief Operating Officer & s151 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
Nicolle Ndiweni
Police and Crime Commissioner
Date:

The Chief Operating Officer & s151 Officer's Responsibilities

The Chief Operating Officer & s151 Officer is responsible for the preparation of the Statement of Accounts for the Office of the Police and Crime Commissioner (and therefore the Group) 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 Operating Officer & s151 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 Operating Officer & s151 Officer has also: -

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

CHIEF OPERATING OFFICER & s151 OFFICER'S CERTIFICATE
I certify that the Statement of Accounts presents a true and fair view of the financial position of the Office of the Police and Crime Commissioner for Derbyshire and the Office of the Police and Crime Commissioner Group as at the 31 March 2026 and of its income and expenditure for the year ended the 31 March 2026.

Signed
Andrew Dale FCCA
Chief Operating Officer & s151 Officer
Date:

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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

POLICE AND CRIME COMMISSIONER AND GROUP 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 (Amendment) Regulations 2024. 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 2025/26) 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 police authority 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.

Consolidation

With the introduction of the Police Reform and Social Responsibility Act 2011 on 22 November 2012 two ‘corporation sole’ bodies, the Police and Crime Commissioner for Derbyshire and the Chief Constable for Derbyshire were formed. Both bodies are required to prepare separate Statements of Accounts.

The Financial Statements included here represent the accounts for the Commissioner and also those for the Group. The financial statements cover the 12 months to 31 March 2026. The term ‘Group’ is used to indicate individual transactions and policies of the Commissioner and Chief Constable for the year ended 31 March 2026. The identification of the Commissioner as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the Commissioner under the Police Reform and Social Responsibility Act 2011.

The principal accounting policies adopted are set out below: -

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made and received. Whilst all expenditure is paid for by the Group including the pay costs of police officers and staff, the actual recognition in the respective Commissioner and Chief Constable Accounts is based on economic benefit.

Debtors – these are recognised in the accounts when the ordered goods or services have been delivered or rendered by the Group in the financial year but the income has not yet been received. Income has only been included in the accounts when it can be realised with reasonable certainty. Where there is evidence that the Group may not be able to collect all amounts due to it, a provision for bad debts is established. The provision made is the difference between the current carrying value of the debt and the amount likely to be collected. These amounts are set on an individual debtor basis. The provision for bad debts is recognised as a charge to the Comprehensive Income and Expenditure Statement for the income that might not be collected.

Creditors – these are recorded where goods or services have been supplied to the Group by 31 March but payment is not made until the following financial year.

Accounting for Local Taxes
The collection of council tax is, in substance, an agency arrangement with the Derbyshire District and Derby City Authorities (billing authorities) collecting council tax on behalf of the Commissioner (the Police Precept).

The council tax income is included in the Comprehensive Income and Expenditure Statement on an accruals basis and includes the precept for the year plus a share of Collection Fund surpluses and deficits from the billing authorities.

The difference between the income reported in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Reserve shall be taken to the Collection Fund Adjustment Account through the Movement in Reserves Statement.

The year-end Balance Sheet includes the share of year end debtors (arrears and collection fund surpluses) and creditors (prepayments, overpayments and collection fund deficits) attributable to the Group

Cash and Cash Equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment or other purposes. The following have been classed as cash and cash equivalents:

- Cash on hand.
- Cash in bank (Current Account, Call Account and Business Premium Account).
- Temporary investments with instant access and no penalties.

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 Group'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 Group'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 Group. 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 but have no impact on the level of council tax.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Group 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 (Pensions)

The main effect of IAS19 in relation to post-employment benefits is the recognition of the net liability in the Balance Sheet (offset by an unusable Pension Reserve) for benefits earned but not yet paid, and entries in the Comprehensive Income and Expenditure Statement for in-year movements in the liability. Reconciling entries in the Movement in Reserves Statement bring back the cost of pensions to the amount chargeable to the General Fund for the purposes of grant and local taxation).

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

The Group 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 pensionable 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 31% of pensionable salary) which is charged to the Comprehensive Income and Expenditure Statement.

The Group 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. The account is topped up as necessary by a grant from the Home Office if the contributions are insufficient to meet the cost of pension's payments. Any surplus is recouped by the Home Office. Injury awards and the capital costs associated with ill health retirements are paid from the Group'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.

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.

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

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

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

Remeasurements 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.

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 Group 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 Group will report these in the following way if it is determined that the event has had a material effect on the Group'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.

Financial Instruments - Liabilities and Assets

Financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

The Group has not undertaken any repurchasing or early settlement of borrowing.

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

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through comprehensive income (FVOCI)

The Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore measured at amortised cost.

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

Expected Credit Loss
The Group will recognise material expected credit losses on all of its financial assets held at amortised cost, either 12 month or lifetime basis.
Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses. The material value for the Investment portfolio is £10,000.

Foreign Currency Translation
Where the Group has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

Government Grants & Contributions

Whether paid on account, by instalments or in arrears, Government Grants and third-party contributions and donations are recognised as due to the Group when there is reasonable assurance that: -

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

Amounts recognised as due to the Group are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution has been satisfied. Conditions are stipulations that specify that the future economic benefit or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Net Cost of Services (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it is applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Non-Current Assets - Property, Plant and Equipment

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 Property, Plant and Equipment.

Recognition and Measurement

Expenditure on the acquisition, creation or enhancement of assets is capitalised on an accrual's basis, provided that it yields benefits to the Group 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 are then carried in the Balance Sheet using the following measurement bases:

- Land, property and other operational assets are included in the Balance Sheet at fair value (existing use value). Operational assets can either be specialised or non-specialised. Specialised Assets, where there is no market-based evidence of current value because of their specialist nature, are valued at Depreciated Replacement Cost (DRC) as an estimate for fair value. The assets to be classified as specialised property relate to the operational custody suites situated within the various properties, the Dog Section and the Multi-Purpose Hall. In cases where there is only a small number of cells, or where cells are now out of use, these have not been treated as specialised properties.
- Surplus assets are included at the current value measurement base (fair value), estimated at highest and best use from a market participant's perspective.
- Assets under construction are held in the Balance Sheet at historical cost until completed, whereupon they will be valued and included in the Balance Sheet as operational assets.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value e.g. Vehicles, IT and Communications equipment and other equipment.

<u>Revaluation</u>
Assets included in the Balance Sheet at fair value are revalued at five-yearly intervals or on a five-year rolling basis to ensure that the carrying amount reflects the current value at the balance sheet date. In the intervening years between the professional valuations, indexation is applied to ensure the valuation remains current. The indexation used is a matter of judgement and will be determined in consultation with the valuers. If a suitable index cannot be identified there will be a desktop valuation in year three of the revaluation cycle. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Occasionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to the account.

Where decreases in value are identified, they are accounted for by: -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement.

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

<u>Impairments</u>
Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

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

<u>Depreciation</u>
Depreciation is provided on a straight-line basis for all Property, Plant, Vehicles and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives, as advised by a suitably qualified advisor. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

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 (2-10 years) - Majority of assets are 5 years
All Buildings	Over the life of the asset (10-50 years)

Component Accounting – where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The component is judged to be significant where the replacement value is above £0.5m or 25% of the asset.

It is the Group's 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.

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

Disposals and Assets held for sale

When a non-current asset is planned to be disposed of, it is reclassified as an Asset held for sale. To be reclassified it must meet the following criteria: -

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.
- The sale must be highly probable (with management commitment to sell and active marketing of the asset initiated).
- It must be actively marketed for a sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses in the Comprehensive Income and Expenditure Statement.

Depreciation is not charged on Assets Held for Sale.

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

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet 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. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of the disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used to finance new capital investment or set aside to reduce the Group's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Reserve Balance in the Movement in Reserves Statement.

Non-Current Assets - Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Group 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 Group.

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 by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of 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.
- Revaluation and impairment losses on assets where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets.

The Group is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (Minimum Revenue Provision (MRP). An annual statement for the policy on making MRP is required in accordance with statutory guidance; this should be calculated on a prudent basis. The policy for Derbyshire is: -

- For Supported Capital Expenditure, the MRP Policy will be based on the remaining life of the Capital Financing Requirement (CFR) using the annuity method (PWLB annuity rates)
- For unsupported borrowing the MRP policy will be based on the estimated life of the assets using the annuity method (PWLB annuity rates)
- For PFI contracts that are deemed to be on Balance Sheet, the MRP will be based on the estimated life of the PFI assets using the annuity method (PWLB annuity rates)
- For leases the MRP requirement would be regarded as met by a charge equal to the element of the charge that goes to write down the Balance Sheet liability.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by revenue provision in the Movement in Reserves Statement, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the Comprehensive Income and Expenditure Statement in the year. Where the Group has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Reserve Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time 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 (i) the impairment charged to

operating expenses; and (ii) 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
Where an asset is identified as a finance lease, and where the Group is the lessor, it will be written out of the Balance Sheet as a disposal. The carrying amount is written off to Other Operating Expenditure as part of the gain or loss on disposal. A gain, representing the authority’s net investment in the lease, is credited to the same line, matched by a lease (long-term debtor) asset in the Balance Sheet. The lease rentals received write-down the lease debtor and the finance income is credited to the Financing & Investment Income & Expenditure line.

Rental income from finance leases entered into after the 1 April 2010 should be treated as a capital receipt.

Operating Leases
An asset identified as an operating lease, and where the Group is the lessor, shall be retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the term of the lease.

Private Finance Initiative (PFI) and Similar Contracts
The Group entered into two PFI arrangements, Ilkeston Police Station and St Mary’s Wharf DHQ at Derby. The first affected the accounts from 1998/99, the second from 2000/01. Both have a continuing commitment by the Group for 30 years. PFI contracts are agreements to receive services, where the responsibility for making available the non-current assets needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI schemes and has control over the residual interest in the property at the end of the arrangement (if exercised), the Group carries the non-current assets under the contracts on the Balance Sheet as part of Property, Plant and Equipment.

An early exit from the Ilkeston Police Station PFI arrangement was completed on 7th November 2023 when Derbyshire Police purchased the property.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investments.

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

The amounts payable to the PFI operators each year should be analysed into five elements: -

- Fair value of the services received during the year – debited to the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge of 9.114% for Ilkeston PFI and 7.917% for Derby PFI on the outstanding Balance Sheet Liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Contingent rent – increases in the amount to be paid for the property arising during the contract. For both the Group’s PFI schemes there is no contingent rent as the property element of the fee paid to the PFI operator is not indexed.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator. This is also the MRP charge for PFI schemes.

- Lifecycle replacement costs – recognised as fixed assets on the Balance Sheet if the costs are of a capital nature or if the costs are revenue debited to the Comprehensive Income and Expenditure Statement.

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 Group 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 Group becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the 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 Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Contingent Asset – this arises where an event has taken place that gives the Group 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 Group.

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

Usable Reserves - the Group's General Revenue Balances are held in the General Reserve. The Group also maintains a number of specific 'earmarked' reserves for future expenditure on either policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Reserve Balance. When revenue expenditure to be financed from a reserve is incurred, it is charged to the Comprehensive Income and Expenditure Statement. The relevant reserve is then debited with an equivalent amount which is appropriated back into the General Reserve Balance so that the expenditure is not charged against Council Tax.

Also held under usable reserves are those that support the financing of capital (Capital receipts reserve and Capital Grants unapplied).

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

Value Added Tax (VAT)

The Comprehensive Income and Expenditure Statement excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

Jointly Controlled Operations

Jointly controlled operations are activities undertaken by the Group 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 Group recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Joint Ventures

Joint Ventures are arrangements under which two or more parties have contractually agreed to share control, such that decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control, and joint ventures have rights to the net assets of the arrangement. Joint Ventures have their own legal entity. They are accounted for using the equity method in the Group Accounts.

The Joint Venture between Derbyshire Police and Derbyshire Fire and Rescue Service was formed under a Limited Liability Partnership (LLP). The Joint Venture operates an Income and Expenditure Account, the LLP Board can re-distribute 75% of any profits back to partners (Police and Fire), they also have discretion to re-distribute a further 25%.

Accounting standards that have been issued but not yet been adopted

The Police and Crime Commissioner 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 Police and Crime Commissioner is either not applicable or not expected to be material.

Changes in Accounting Estimates

Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Group has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no significant judgements in the 2024/25 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 Group 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 Group's Balance Sheet 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
Property, Plant and Equipment	
Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Group will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings (excluding PFI buildings which are contracted to be maintained) would increase by £0.057m for every year that useful lives had to be reduced.
The valuation of property depends on a number of complex judgements and a firm of Valuers is engaged to provide expert advice about the assumptions to be applied. This is in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. Most of the PCC's land and buildings are valued based on the open market value in their use (EUV) i.e. office accommodation.	The Net Book Value (NBV) of all Operational Land and Buildings as at the 31 March 2026 was £33.4m. Should this value increase or decrease by 10% it would have an impact of +/- £3.34m. To reduce the risk of material differences, property valuations are prepared on a three year rolling basis so a proportion of assets are valued each year. To further mitigate any risk of material differences the PCC commissioned a mix of full and desktop valuations for all properties in 2024/25 which concluded that there were no material differences in estimation. From 2025/26 a 5 year rolling valuation programme will be followed, indexation will be applied in intervening years.
Where there is no market-based evidence of fair value because of the specialist nature of the asset, depreciated replacement cost (DRC) is used an estimate of fair value. The indices used in the calculation can fluctuate year on year based on local market conditions.	DRC has been applied to the specialist elements of 4 properties. This represents a small proportion (£6.1m) of the total operational land and buildings NBV.
Surplus land and buildings are valued at fair value which could fluctuate year on year based on local market conditions.	As at the 31 March 2026 there was 1 surplus property. Surplus properties are valued every year to ensure that the values are up to date.
Provisions	
The Group has made a provision of £3.020m for the settlement of claims for insurance and backdated overtime. This has been based on the claims handlers' assessment of claims outstanding and an estimate of future claims for 2025/26. The number and value of claims may be different to the assessment.	An increase over the forthcoming year of 10% in the total number of claims would have the effect of adding £0.302m to the provision needed. However, this amount will be covered from the Insurance Reserve if necessary.
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 Group 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.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE PCC GROUP

This statement shows the accounting cost in the year of providing services for the Group, in accordance with generally accepted accounting principles, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement of Reserves Statement.

For the year ended 31 March 2025					For the year ended 31 March 2026		
Gross Expenditure	Gross Income	Net Expenditure		Note	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
2,316	(209)	2,107	Corporate and Democratic Core (Includes PCC plus Chief Constable)		2,584	(247)	2,337
9,341	(7,158)	2,183	Commissioning Activities by the Police and Crime Commissioner		8,203	(6,008)	2,195
0		0	Non Distributed Costs	10			0
281,472	**(64,166)**	**217,306**	**Cost of Policing Services before revaluations/funding**		**280,964**	**(68,151)**	**212,813**
2,695	0	2,695	Revaluation losses / (gains)		536	0	536
284,167	**(64,166)**	**220,001**	**Cost of Policing Services**	**2**	**281,500**	**(68,151)**	**213,349**
			Other Operating Expenditure				
198	0	198	Losses on the Disposal of Non-Current Assets		423	0	423
2,168	0	2,168	Levies to national police services		2,172	0	2,172
			Financing and Investment Income and Expenditure				
570	0	570	Interest Payable on Debt	**21**	568	0	568
209	0	209	Interest Element of Finance Leases (PFI)	**21**	157	0	157
264	0	264	Interest on Lease Liability	**3**	251	0	251
80,771	0	80,771	Pensions Interest Cost and Expected Return on Pensions Assets	**9**	82,146	0	82,146
0	(1,514)	(1,514)	Investment Interest Income	**21**	0	(1,078)	(1,078)
0	(284)	(284)	**Profit on Joint Ventures Distributed**	**13**	0	(290)	(290)
			Taxation and Non-Specific Grant Income				
0	(661)	(661)	Recognised Capital Grants and Contributions		0	(834)	(834)
0	(82,609)	(82,609)	General Government Grants		0	(85,684)	(85,684)
0	(47,690)	(47,690)	Revenue Support Grant		0	(49,407)	(49,407)
0	(7,346)	(7,346)	Localising Council Tax Support Grant		0	(7,346)	(7,346)
0	(93,729)	(93,729)	Council Tax Income		0	(100,867)	(100,867)
0	(28,923)	(28,923)	Home Office Grant Payable towards the Cost of Retirement Benefits	**9**		(30,879)	(30,879)
368,347	**(326,922)**	**41,425**	**Deficit on the Provision of Services**	**2**	**367,217**	**(344,536)**	**22,681**
		(762)	Surplus on Revaluation of Non-Current Assets LLP				(3,634)
		1,090	Surplus on Revaluation of Non-Current Assets				(6)
		(199,992)	Actuarial (Gains) or Losses on Pension Assets and Liabilities	**9**			(57,684)
		(199,664)	**Other Comprehensive Income and Expenditure**				**(61,324)**
		(158,239)	**Total Comprehensive Income and Expenditure**				**(38,643)**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE COMMISSIONER

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting principles for the Commissioner (PCC). The consolidated accounting cost and funding for the Group is shown in the Group CIES. This statement differs from the Group statement in that it shows the intra-group funding adjustment between the PCC and the Chief Constable. This transfer represents a recharge of the costs and income of providing policing services to the Chief Constable who has consumed the resources.

Commissioner For the year ended 31 March 2025				Commissioner 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
1,664	(209)	1,455	Corporate and Democratic Core (PCC)	1,910	(247)	1,664
9,341	(7,158)	2,183	Commissioning Activities by the PCC	8,203	(6,008)	2,195
11,005	**(7,367)**	**3,638**	**Cost of Policing Services before revaluations/funding**	**10,113**	**(6,255)**	**3,859**
2,695	0	2,695	Revaluation losses / (gains)	536	0	536
284,543	(56,799)	227,744	Intra-group Funding	301,612	(61,896)	239,716
298,243	**(64,166)**	**234,077**	**Cost of Policing Services**	**312,261**	**(68,151)**	**244,111**
			Other Operating Expenditure			
(90)	0	(90)	Gains on the Disposal of Non-Current Assets	(191)	0	(191)
2,168	0	2,168	Intra-group funding Levies to national police services	2,172	0	2,172
			Financing and Investment Income and Expenditure			
570	0	570	Interest Payable on Debt	568	0	568
209	0	209	Interest Element of Finance Leases (PFI)	157	0	157
264	0	264	Interest on Lease Liability	251	0	251
0	(1,514)	(1,514)	Investment Interest Income	0	(1,078)	(1,078)
0	(284)	(284)	**Profit on Joint Ventures**	0	(290)	(290)
			Taxation and Non-Specific Grant Income			
0	(661)	(661)	Recognised Capital Grants and Contributions	0	(834)	(834)
0	(82,609)	(82,609)	General Government Grants	0	(85,684)	(85,684)
0	(47,690)	(47,690)	Revenue Support Grant	0	(49,407)	(49,407)
0	(7,346)	(7,346)	Localising Council Tax Support Grant	0	(7,346)	(7,346)
0	(93,729)	(93,729)	Council Tax Income	0	(100,867)	(100,867)
301,364	**(297,999)**	**3,365**	**Deficit on the Provision of Services**	**315,218**	**(313,657)**	**1,560**
		1,090	Surplus on Revaluation of Non-Current Assets			(6)
		1,090	**Other Comprehensive Income and Expenditure**			**(6)**
		4,455	**Total Comprehensive Income and Expenditure**			**1,554**

BALANCE SHEET FOR THE PCC GROUP

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that 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), where amounts would only become available to provide services if the assets are sold; 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
67,729	Property, Plant and Equipment	11	77,587
382	Intangible Assets	12	200
19,299	Investments in Joint Venture	13	22,932
87,410	**Long-Term Assets**		**100,719**
20	Short-Term Investments	20	8,788
376	Stock & Stores	14	455
46,204	Short-Term Debtors	16	51,897
3,008	Cash and Cash Equivalents	17	2,101
465	Assets Held for Sale (< 1 year)	18	-
50,073	**Current Assets**		**63,240**
(1,316)	Short-Term Borrowing	20	(7,799)
(1,363)	Other Short-Term Liabilities	3/24	(604)
(39,903)	Short-Term Creditors	19	(47,579)
(945)	Short-Term Provisions	25	(1,011)
(43,527)	**Current Liabilities**		**(56,994)**
(2,028)	Long-Term Provisions	25	(2,009)
(28,581)	Long-Term Borrowing	20	(39,924)
(1,563,190)	Other Long-Term Liabilities	3/10/24	(1,526,234)
(10)	Capital Grants Receipts in Advance		(10)
(1,593,809)	**Long-Term Liabilities**		**(1,568,177)**
(1,499,854)	**Net Liabilities**		**(1,461,211)**
21,354	Usable Reserves	27	22,490
(1,521,208)	Unusable Reserves	28	(1,483,701)
(1,499,854)	**Total Reserves**		**(1,461,211)**

Certification
The financial statements were authorised as a final version for issue on xx June 2026.

BALANCE SHEET FOR THE COMMISSIONER

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Commissioner. The net assets are matched by the reserves held by the Commissioner. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that 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), where amounts would only become available to provide services if the assets are sold; 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
48,875	Property	**11c**	57,973
16	Intangible Assets	**12**	12
16,815	Investments in Joint Venture	**13**	16,815
65,706	**Long-Term Assets**		**74,799**
20	Short-Term Investments	**20**	8,788
376	Stock & Stores	**14**	455
(1,564)	Short Term Debtors - Intra group funding		(6,714)
46,204	Short-Term Debtors	**16**	51,897
3,008	Cash and Cash Equivalents	**17**	2,101
465	Assets Held for Sale (< 1 year)	**18**	-
48,509	**Current Assets**		**56,526**
(1,316)	Short-Term Borrowing	**20**	(7,799)
1,564	Short Term Creditors - Intra group funding		6,714
(1,363)	Other Short-Term Liabilities	**3/24**	(604)
(36,457)	Short-Term Creditors	**19**	(43,778)
(945)	Short-Term Provisions	**25**	(1,011)
(38,517)	**Current Liabilities**		**(46,478)**
(2,028)	Long-Term Provisions	**25**	(2,009)
(28,581)	Long-Term Borrowing	**20**	(39,924)
(5,525)	Other Long-Term Liabilities	**3/24**	(4,906)
(10)	Capital Grants Receipts in Advance		(10)
(36,144)	**Long-Term Liabilities**		**(46,848)**
39,554	**Net Liabilities**		**37,999**
21,312	Usable Reserves	**27**	22,448
18,242	Unusable Reserves	**28**	15,551
39,554	**Total Reserves**		**37,999**

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

MOVEMENT IN RESERVES STATEMENT FOR THE PCC GROUP 2025/26

This Statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and 'unusable' reserves. The Statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The 'Net increase /Decrease' line shows the statutory General Reserve Balance movements in the year following those adjustments.

		General Reserve and Earmarked Reserves	Usable Capital Receipts Reserve	Capital Grant Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Total Joint Venture Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000
	Note				27	28			
Balance as at 31 March 2025		**20,451**	**0**	**861**	**21,312**	**(1,523,650)**	**(1,502,338)**	**2,484**	**(1,499,854)**
Surplus or (deficit) on the provision of services (accounting basis)		(22,681)	0	0	(22,681)	0	(22,681)	0	(22,681)
Other comprehensive income and expenditure		57,690	0	0	57,690	0	57,690	3,634	61,324
Total Comprehensive Income and Expenditure		**35,010**	**0**	**0**	**35,010**	**0**	**35,010**	**3,634**	**38,643**
Adjustments between accounting basis and funding basis under regulations									
- Depreciation and Impairment of non-current assets		7,394			7,394	(7,394)	0	0	0
- Revaluation of non-current assets		536			536	(536)	0	0	0
- Reversal of lease liability		(434)			(434)	434	0	0	0
- Capital grants and contributions credited to the CIES		(756)		602	(154)	154	0	0	0
- Revenue Expenditure funded from capital under statute		50			50	(50)	0	0	0
- Net gain or loss on sale of non-current assets		560			560	(560)	0	0	0
- Amount by which pension costs calculated in accordance with the code		(36,337)			(36,337)	36,337	0	0	0
(IAS19) are different from the contributions due under the pension scheme					0	0	0	0	0
- Amount by which council tax income included in the CIES is different		(74)			(74)	74	0	0	0
from the amount taken to the General Reserve in accordance with regulation					0	0	0	0	0
- Statutory provision for repayment of debt		(895)			(895)	895	0	0	0
- Capital expenditure charged to the General Reserve Balance		(3,472)			(3,472)	3,472	0	0	0
- Any voluntary provision for repayment of debt		0			0	0	0	0	0
- Application of grants to capital financing transferred to Capital Adjustment Account		0		(1,398)	(1,398)	1,398	0	0	0
- Revaluation of non-current assets where residual gain exists on the Revaluation Reserve		(6)			(6)	6	0	0	0
- Charges for employee benefits		355			355	(355)	0	0	0
Total Adjustments between accounting basis and funding basis		**(33,078)**	**0**	**(796)**	**(33,874)**	**33,874**	**0**	**0**	**0**
Increase or (Decrease) in Year		1,932	0	(796)	1,136	33,874	35,010	3,634	38,643
Balance as at 31 March 2026 carried forward		**22,383**	**0**	**65**	**22,448**	**(1,489,776)**	**(1,467,329)**	**6,118**	**(1,461,211)**

MOVEMENT IN RESERVES STATEMENT FOR THE PCC GROUP 2024/25

This Statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and 'unusable' reserves. The Statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The 'Net increase /Decrease' line shows the statutory General Reserve Balance movements in the year following those adjustments.

		General Reserve and Earmarked Reserves	Usable Capital Receipts Reserve	Capital Grant Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Total Joint Venture Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000
	Note				27	28			
Balance as at 31 March 2024		**20,330**	**0**	**2,052**	**22,382**	**(1,682,198)**	**(1,659,815)**	**1,722**	**(1,658,094)**
Surplus or (deficit) on the provision of services (accounting basis)		(41,425)	0	0	(41,425)	0	(41,425)	0	(41,425)
Other comprehensive income and expenditure		198,902	0	0	198,902	0	198,902	0	198,902
Total Comprehensive Income and Expenditure		**157,477**	**0**	**0**	**157,477**	**0**	**157,477**	**0**	**157,477**
Adjustments between accounting basis and funding basis under regulations									
- Depreciation and Impairment of non-current assets		6,971			6,971	(6,971)	0	0	0
- Revaluation of non-current assets		2,695			2,695	(2,695)	0	0	0
- Lease Liability IFRS 16		(544)			(544)	544	0	0	0
- Capital grants and contributions credited to the CIES		(661)		539	(122)	122	0	0	0
- Revenue Expenditure funded from capital under statute		8			8	(8)	0	0	0
- Net gain or loss on sale of non-current assets		293			293	(293)	0	0	0
- Amount by which pension costs calculated in accordance with the code					0	0	0	0	0
(IAS19) are different from the contributions due under the pension scheme		(165,666)			(165,666)	165,666	0	0	0
- Amount by which council tax income included in the CIES is different					0	0	0	0	0
from the amount taken to the General Reserve in accordance with regulation		387			387	(387)	0	0	0
- Statutory provision for repayment of debt		(825)			(825)	825	0	0	0
- Capital expenditure charged to the General Reserve Balance		(1,074)			(1,074)	1,074	0	0	0
- Any voluntary provision for repayment of debt		0			0	0	0	0	0
- Application of grants to capital financing transferred to Capital Adjustment Account		0		(1,730)	(1,730)	1,730	0	0	0
- Revaluation of non-current assets where residual gain exists on the Revaluation Reserve		1,090			1,090	(1,090)	0	762	762
- Charges for employee benefits		(31)			(31)	31	0	0	0
Total Adjustments between accounting basis and funding basis		**(157,356)**	**0**	**(1,191)**	**(158,547)**	**158,547**	**0**	**762**	**762**
Increase or (Decrease) in Year		121	0	(1,191)	(1,070)	158,547	157,477	762	158,239
Balance as at 31 March 2025 carried forward		**20,451**	**0**	**861**	**21,312**	**(1,523,650)**	**(1,502,338)**	**2,484**	**(1,499,854)**

MOVEMENT IN RESERVES STATEMENT 2025/26 FOR THE COMMISSIONER

This Statement shows the movement in the year on the different reserves held by the Commissioner, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and 'unusable' reserves.

		General Reserve and Earmarked Reserves	Usable Capital Receipts Reserve	Capital Grant Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Commissioner Reserves
		£000	£000	£000	£000	£000	£000
	Note	27	27	27	27	28	
Balance as at the 1 April 2025		**20,451**	**0**	**861**	**21,312**	**18,242**	**39,554**
Surplus or (deficit) on the provision of services (accounting basis)		(1,560)			(1,560)		(1,560)
Other comprehensive income and expenditure		6			6		6
Total Comprehensive Income and Expenditure		**(1,554)**	**0**	**0**	**(1,554)**	**0**	**(1,554)**
Adjustments between accounting basis and funding basis under regulations							
- Depreciation and Impairment of non-current assets		1,877			1,877	(1,877)	0
- Revaluation of non-current assets		536			536	(536)	0
- Lease Liability IFRS 16		(434)			(434)	434	
- Capital grants and contributions credited to the CIES		(756)		602	(154)	154	0
- Revenue Expenditure funded from capital under statute		50			50	(50)	0
- Net gain or loss on sale of non-current assets		(54)			(54)	54	0
- Amount by which council tax income included in the CIES is different		(74)			(74)	74	0
from the amount taken to the General Reserve in accordance with regulation							0
- Statutory provision for repayment of debt		(895)			(895)	895	0
- Capital expenditure funded by PCC Intra-group funding		6,714			6,714	(6,714)	0
- Capital expenditure charged to the General Reserve Balance		(3,472)			(3,472)	3,472	0
- Application of grants to capital financing transferred to Capital Adjustment Account		0		(1,398)	(1,398)	1,398	0
- Revaluation of non-current assets where residual gain exists on the Revaluation Reserve		(6)			(6)	6	0
Total Adjustments between accounting basis and funding basis		**3,486**	**0**	**(796)**	**2,690**	**(2,690)**	**0**
Increase or (Decrease) in Year		**1,932**	**0**	**(796)**	**1,136**	**(2,690)**	**(1,554)**
Balance as at the 31 March 2026 carried forward		**22,383**	**0**	**64**	**22,448**	**15,552**	**38,000**

MOVEMENT IN RESERVES STATEMENT 2024/25 FOR THE COMMISSIONER

This Statement shows the movement in the year on the different reserves held by the Commissioner, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and 'unusable' reserves.

		General Reserve and Earmarked Reserves	Usable Capital Receipts Reserve	Capital Grant Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Commissioner Reserves
		£000	£000	£000	£000	£000	£000
	Note	27	27	27	27	28	
Balance as at the 1 April 2024		**20,329**	**0**	**2,053**	**22,382**	**21,626**	**44,008**
Surplus or (deficit) on the provision of services (accounting basis)		(3,365)			(3,365)		(3,365)
Other comprehensive income and expenditure		(1,090)			(1,090)		(1,090)
Total Comprehensive Income and Expenditure		**(4,455)**	**0**	**0**	**(4,455)**	**0**	**(4,455)**
Adjustments between accounting basis and funding basis under regulations							
- Depreciation and Impairment of non-current assets		1,930			1,930	(1,930)	0
- Revaluation of non-current assets		2,695			2,695	(2,695)	0
- Lease Liability IFRS 16		(544)			(544)	544	0
- Capital grants and contributions credited to the CIES		(661)		539	(122)	122	0
- Revenue Expenditure funded from capital under statute		8			8	(8)	0
- Net gain or loss on sale of non-current assets		5			5	(5)	0
- Amount by which council tax income included in the CIES is different					0	0	0
from the amount taken to the General Reserve in accordance with regulation		387			387	(387)	0
- Statutory provision for repayment of debt		(825)			(825)	825	0
- Capital expenditure funded by PCC Intra-group funding		1,564			1,564	(1,564)	0
- Capital expenditure charged to the General Reserve Balance		(1,074)			(1,074)	1,074	0
- Application of grants to capital financing transferred to Capital Adjustment Account		0		(1,730)	(1,730)	1,730	0
- Revaluation of non-current assets where residual gain exists on the Revaluation Reserve		1,090			1,090	(1,090)	0
Total Adjustments between accounting basis and funding basis		**4,576**	**0**	**(1,191)**	**3,385**	**(3,385)**	**0**
Increase or (Decrease) in Year		**121**	**0**	**(1,191)**	**(1,070)**	**(3,385)**	**(4,455)**
Balance as at the 31 March 2025 carried forward		**20,451**	**0**	**861**	**21,312**	**18,242**	**39,554**

CASHFLOW FOR THE PCC GROUP

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

31-Mar-25 £'000		Note	31-Mar-26 £'000
41,425	Net Deficit on the Provision of Services		**22,681**
	Adjust Net Deficit on the Provision of Services for Non-cash Movements		
(6,819)	Depreciation of Non-Current Assets		(7,269)
(2,695)	Impairment and Downward Valuations of Non-Current Assets		(536)
(151)	Amortisation of Intangible Assets		(125)
(2,947)	(Increase)/Decrease in Creditors		(7,752)
9,015	Increase/(Decrease) in Debtors		5,606
63	Increase/(Decrease) in Stock		79
(34,326)	Pension Liability		(21,347)
(293)	Carrying Amount of Non-Current Assets Sold		(560)
401	Contributions to Provisions		(46)
0	Adjustments for Loss Share		0
(37,753)			**(31,951)**
	Adjust for Items Included in the Net Deficit on the Provision of Services that are Investing and Financing activities		
661	Proceeds from the Sale of Property, Plant and Equipment, Investment Property. Capital Grants.		834
661			834
4,332	**Net Cash Flows used in Operating Activities**		**(8,436)**
	Investing Activities		
6,632	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		18,337
(5,027)	Purchase/(redemption) of Short-Term and Long-Term Investments		8,806
0	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets		(531)
(690)	Capital Grants and contributions		(785)
914	***Net Cash Flows from Investing Activities***		**25,827**
	Financing Activities		
0	Cash Receipts of Short and Long-Term Borrowing		(19,000)
1,399	Cash Payments for the Reduction of the Outstanding Liability Relating to a Finance Lease		1,342
734	Repayments of Short and Long-Term Borrowing		1,173
2,133	***Net Cash Flows (used in)/from Financing Activities***		**(16,484)**
7,379	**Net Increase in Cash and Cash Equivalents**		**906**
10,387	Cash and Cash Equivalents at the Beginning of the Reporting Period	**17**	3,008
3,008	Cash and Cash Equivalents at the End of the Reporting Period	**17**	**2,102**

The Cashflow Statement has been presented using the Indirect Method.

CASHFLOW FOR THE COMMISSIONER

The Cash Flow Statement shows the changes in cash and cash equivalents for the Commissioner during the reporting period. The statement shows how the Commissioner generates and uses cash equivalents by classifying cashflows as operating, investing and financing activities.

31-Mar-25 £'000		Note	31-Mar-26 £'000
3,365	Net Deficit/(Surplus) on the Provision of Services		**1,560**
	Adjust Net Deficit on the Provision of Services for Non-cash Movements		
(1,930)	Depreciation of Non-Current Assets		(1,877)
(2,695)	Impairment and Downward Valuations of Non-Current Assets		(536)
(0)	Amortisation of Intangible Assets		0
(1,564)	Capital expenditure funded by PCC Intra-group funding		(6,714)
(2,978)	(Increase)/Decrease in Creditors		(7,396)
9,015	Increase/(Decrease) in Debtors		5,606
63	Increase/(Decrease) in Stock		79
(5)	Carrying Amount of Non-Current Assets Sold		55
401	Contributions to Provisions		(46)
305			**(10,830)**
	Adjust for Items Included in the Net Deficit on the Provision of Services that are Investing and Financing activities		
661	Proceeds from the Sale of Property, Plant and Equipment, Investment Property. Capital Grants.		834
661			834
4,331	**Net Cash Flows used in Operating Activities**		**(8,435)**
	Investing Activities		
6,632	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets		18,337
(5,027)	Purchase/(redemption) of Short-Term and Long-Term Investments		8,806
0	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets		(531)
(690)	Capital Grants and contributions		(785)
914	***Net Cash Flows from Investing Activities***		**25,827**
	Financing Activities		
0	Cash Receipts of Short and Long-Term Borrowing		(19,000)
1,399	Cash Payments for the Reduction of the Outstanding Liability Relating to a Finance Lease		1,342
734	Repayments of Short and Long-Term Borrowing		1,173
2,133	***Net Cash Flows (used in)/from Financing Activities***		**(16,485)**
7,378	**Net Increase in Cash and Cash Equivalents**		**906**
10,386	Cash and Cash Equivalents at the Beginning of the Reporting Period	**17**	3,008
3,008	Cash and Cash Equivalents at the End of the Reporting Period	**17**	**2,101**

The Cashflow Statement has been presented using the Indirect Method.

Notes to the Financial Statements for the Commissioner and PCC Group

The Notes to the Financial Statements show the PCC Group, the notes for the Commissioner are not materially different. Any exception to this is mentioned in the appropriate note.

Note 1 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	OPCC Group Expenditure and Funding Analysis	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
227,978	(14,961)	213,017	Policing Services	237,410	(29,129)	208,281
1,479	628	2,107	Corporate and Democratic Core (Includes PCC plus CC)	1,692	645	2,337
2,183	0	2,183	Commissioning Activities by the Police and Crime Commissioner	2,195	0	2,195
0	0	0	Non-Distributed Costs	0	0	0
231,640	**(14,333)**	**217,307**	**Net Cost of Services before revaluations/funding**	**241,297**	**(28,484)**	**212,813**
0	2,695	2,695	Revaluation losses / (gains)	0	536	536
231,640	**(11,638)**	**220,002**	**Cost of Policing Services**	**241,297**	**(27,948)**	**213,349**
(231,761)	53,184	(178,577)	Other Income and Expenditure	(243,229)	52,561	(190,668)
(121)	**41,546**	**41.425**	**(Surplus) or Deficit on the Provision of Services**	**(1,932)**	**24,613**	**22,681**
0	(198,902)	(198,902)	**Other Comprehensive Income and Expenditure**	0	(57,690)	(57,690)
(121)	**(157,356)**	**(157,477)**	**Total Comprehensive Income and Expenditure**	**(1,932)**	**(33,077)**	**(35,009)**
		(20,372)	**Opening General Reserve and Earmarked Reserve Balance**			**(20,493)**
		(121)	Surplus on General Reserve/ Earmarked Reserves in Year			(1,932)
		(20,493)	**Closing General Reserve and Earmarked Reserve Balance (3)**			**(22,425)**

(1) Details of adjustments are shown in Note 1 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.
(3) Further detail of the General Reserve and Earmarked Reserves can be found in Note 26 of the Accounts.

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 Revenue Budget Surplus reported to committee is adjusted for budgeted/other contributions to/from reserves and Derbyshire's share of movements in the LLP Reserves.

2024/25 £'000		2025/26 £'000
1,892	Revenue Budget (Surplus)/Deficit reported to Committee	(2,463)
(2,013)	Budgeted/Other Contributions to/from Reserves	531
(121)	**Net (Surplus)/Deficit on General Reserve Balance for PCC**	**(1,932)**
-	Share of Movement in LLP Reserves	-
(121)	**Net (Surplus)/Deficit on General Reserve Balance for PCC Group**	**(1,932)**

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

Adj for Capital Purposes 2024/25 £'000	Adj for Pensions 2024/25 £'000	Other Adjs 2024/25 £'000	Total Adjs 2024/25 £'000	Adjustments to General Reserve to add Expenditure or Income not Chargeable to Taxation and Remove items which are only chargeable under Statute	Adj for Capital Purposes 2025/26 £'000	Adj for Pensions 2025/26 £'000	Other Adjs 2025/26 £'000	Total Adjs 2025/26 £'000
4,632	(17,521)	(2,071)	(14,961)	Policing Services – Chief Constable	2,860	(29,920)	(2,069)	(29,129)
-	-	628	628	Office of the Police and Crime Commissioner	-	-	645	645
-	-	-	-	Non Distributed Costs	-	-	-	-
4,632	**(17,521)**	**(1,443)**	**(14,333)**	**Net Cost of Services before revaluations/funding**	**2,860**	**(29,920)**	**(1,424)**	**(24,484)**
2,695	-	-	2,695	Revaluation losses	536	-	-	536
7,327	**(17,521)**	**(1,443)**	**(14,333)**	**Net Cost of Services**	**3,396**	**(29,920)**	**(1,424)**	**(27,948)**
197	-	2,168	2,365	Other operating expenditure	422	-	2,171	2,594
-	80,771	(471)	80,300	Financing and Investment income & expenditure	-	82,146	(102)	82,044
-	-	(284)	(284)	Profit & Loss on Joint Ventures	-	-	(290)	(290)
(661)	(28,924)	387	(29,197)	Taxation & Non-specific grant income & expenditure	(834)	(30,879)	(74)	(31,786)
6,863	**34,326**	**358**	**41,546**	**Net Deficit on General Reserve Balance**	**2,985**	**21,347**	**282**	**24,614**

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 and impairment and revaluation gains and losses to the Net Cost of Services line. The statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from this line also as these are not chargeable under generally accepted accounting practices.

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.

Taxation and Non-Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue Grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year. It also includes the movement of the pension support grant to specific grants.

Net change for the Pensions 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.

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.

Taxation and Non-Specific Grant Income and Expenditure - is charged with the difference between what is chargeable under statutory regulations for Council Tax that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Commissioners Expenditure and Funding Analysis

2024/25 PCC Net Expenditure Chargeable to General and Earmarked Reserves £000	2024/25 PCC Adjustment between the Funding and Accounting Basis (1) £000	2024/25 PCC Net Expenditure in the Comprehensive Income and Expenditure Statement (2) £000	PCC Expenditure and Funding Analysis	2025/26 PCC Net Expenditure Chargeable to General and Earmarked Reserves £000	2025/26 PCC Adjustment between the Funding and Accounting Basis (1) £000	2025/26 PCC Net Expenditure in the Comprehensive Income and Expenditure Statement (2) £000
227,978	(227,978)	0	Policing Services	237,410	(237,410)	0
1,479	(24)	1,455	Corporate and Democratic Core (Includes PCC plus CC)	1,693	(29)	1,664
2,183	0	2,183	Commissioning Activities by the Police and Crime Commissioner	2,195	0	2,195
0	0	0	Non-Distributed Costs	0	0	0
231,640	**(228,002)**	**3,638**	**Net Cost of Services before revaluations/funding**	**241,298**	**(237,439)**	**3,859**
0	2,695	2,695	Revaluation losses / (gains)	0	536	536
0	227,744	227,744	Intragroup Funding	0	239,716	239,716
231,640	**2,437**	**234,077**	**Cost of Policing Services**	**241,298**	**2,813**	**244,112**
(231,761)	1,049	(230,712)	Other Income and Expenditure	(243,230)	680	(242,550)
(121)	**3,486**	**3,365**	**(Surplus) or Deficit on the Provision of Services**	**(1,932)**	**3,494**	**1,562**
0	1,090	1,090	**Other Comprehensive Income and Expenditure**	0	(6)	(6)
(121)	**4,576**	**4,455**	**Total Comprehensive Income and Expenditure**	**(1,932)**	**3,488**	**1,556**
		(20,330)	**Opening General Reserve and Earmarked Reserve Balance**			**(20,451)**
		(121)	Surplus on General Reserve/ Earmarked Reserves in Year			(1,932)
		(20,451)	**Closing General Reserve and Earmarked Reserve Balance (3)**			**(22,383)**

Note 2 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 – this analysis does not constitute the revenue budget of the Group.

Group **2024/25** **£'000**	**Expenditure and Income Analysed by Nature**	**Group** **2025/26** **£'000**
	Expenditure	
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 9	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
1,664	Office of PCC	1,910
9,341	Commissioning Activities by PCC	8,203
6,971	Depreciation & Debt Financing	7,401
2,695	Impairments/Revaluations	536
8	Revenue Expenditure Funded from Capital under Statute	50
0	Non-Distributed Costs	0
284,167	**Gross Operating Expenditure**	**281,500**
(13,821)	Income from fees/charges	(12,052)
(50,345)	Income from specific grants and contributions (inc. PCC)	(56,099)
220,001	**Cost of Policing Services**	**213,349**
2,366	Other Operating Expenditure	2,595
80,300	Financing and investment income and expenditure	82,044
(284)	Profit and Loss on Joint Venture	(290)
(232,035)	Taxation & non-specific grant income	(244,138)
(28,923)	Home office grant payable towards the cost of retirement ber	(30,879)
41,425	**Deficit on provision of services**	**22,681**

Note 3 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 [(1)]	5,352
Additions	0
Disposals	(42)
At 31 March 2026	5,310
Accumulated Depreciation	
At 1 April 2025 [(1)]	541
2025/26 Depreciation Charge	501
Disposals	(26)
At 31 March 2026	1,016
Net Book Value	
At 31 March 2025	4,811
At 31 March 2026	4,295
Movement in Year	(516)

[(1)] *Includes adjustment for previous year disposals*

Authority as Lessee - Right of Use Assets

The authority's lease contracts comprise leases of operational land and buildings plus a photocopier lease. Most are individually immaterial, and we have only 2 leases that have term longer than 20 years and have a value of £0.380m as at 31 March 2026.

Transactions under leases

The following expenses and cash flows incurred in relation to leases.

	2025/26 £000
Comprehensive Income & Expenditure Statement	
Interest expenses on lease liabilities	251
Short-term lease expenses	449
Cash Flow Statement	
Total cash outflow for leases	**700**

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	412
Payable within 1 to 5 years	2,543
More than 5 years	1,738
Total	**4,693**

Commissioner 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).

Commissioner as Lessee and Lessor – Finance Leases

The Commissioner entered into a Finance Lease with the DPFP LLP for the land occupied by the Joint Police and Fire Headquarters in March 2015 and a lease for land occupied by the Joint Training Centre/Firearms Range in August 2016. In entering into these leases, a lump sum payment was made to the Commissioner which negated the need to make further payments over the 999 years of the lease. This lump sum payment of £518,000 for the Headquarters site was treated as a capital receipt in 2014/15, the lump sum payment of £563,000 for the Training Centre/Firearms Range site was treated as a capital receipt in 2016/17.

Note 4 Officers Remuneration

Senior Officer Payments

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

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 (P11d) £	Employer Pension £	Total £	Note		Note	Salary £	Allowances £	Other £	Benefits in kind (P11d) £	Employer pension £	Total £
97,936	1,502	495	-	34,572	**134,505**	1,2	Chief Constable (CC) to 06/10/2024		-	-	-	-	-	**-**
78,546	-	301	-	27,726	**106,573**	1,2	Chief Constable (CC) from 08/11/2024	1	204,132	-	995	-	72,058	**277,185**
148,351	4,303	1,104	-	52,368	**206,126**	3	Deputy Chief Constable	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**
127,053	-	-	-	22,743	**149,796**		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**
106,591	833	-	-	19,080	**126,504**		Chief Finance Officer & s151 Officer to PCC		117,819	5,000	-	-	19,952	**142,771**
10,568	-	-	-	-	**10,568**	8	PCC Commissioner		-	-	-	-	-	**-**
70,181	-	-	-	12,562	**82,743**	9	PCC Commissioner		81,419	-	-	-	14,258	**95,676**
4,288	-	-	-	-	**4,288**	10	PCC Deputy Commissioner		-	-	-	-		**-**
							PCC Deputy Commissioner	13	29,292	-	-	-	5,244	**34,536**

Remuneration 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 was appointed on 22/07/2024.
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.
8. The Police and Crime Commissioner left on 08/05/2024.
9. The Police and Crime Commissioner was appointed on 09/05/2024.
10. The Deputy Police and Crime Commissioner left on 08/05/2024.

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 the Chief Constable left on 06/04/2025.
11. The Acting Chief Finance Officer to the Chief Constable was in post from 01/04/2025 to 12/10/2025
12. The Director of Finance and Assets & S151 Officer to the Chief Constable was appointed on 13/10/2025 and replaced the Acting Chief Finance Officer
13. The Deputy Police and Crime Commissioner was appointed on 14/08/2025

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	55	44
£60,000 - £64,999	21	37
£65,000 - £69,999	14	21
£70,000 - £74,999	6	6
£75,000 - £79,999	7	11
£80,000 - £84,999	2	6
£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	0	2
£120,000 - £124,999	1	1
£125,000 - £129,999	2	2
£130,000 - £134,999	-	-
£135,000 - £139,999	-	2
TOTAL	**180**	**235**

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					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 £	Exit packages cost band (including special payments)	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 5 External Audit Fees

Fees in relation to external audit are as follows: -

2024/25 £'000	External Audit Fees	2025/26 £'000
	Commissioner	
106	Scale fees payable	103
-	Fees payable for audit of previous years – Grant Thornton	5
29	Fees payable for audit of previous years – Ernst Young	(3)
135	**Total fees Commissioner**	**105**
	Chief Constable	
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

191	**Total fees PCC Group**	**176**

In 2025/26 £67,162 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. £20,613 was received in 2024/25 (see Note 6).

Note 6 Grant Income

The Commissioner credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

2024/25 £'000	GRANTS, CONTRIBUTIONS AND DONATIONS	2025/26 £'000
	MHCLG Grants	
2,387	Private Finance Initiative – Ilkeston & Derby	2,387
21	Redmond Review – Local Audit Fees Grant	19
-	Audit Build Back Grant	48
2,407		**2,454**
	Home Office Grants	
160	Cyber Grant	164
1,374	Disclosure and Barring Service	1,393
16,672	East Midlands Counter-Terrorism Intelligence Unit	18,809
18	Football Policing Initiative	-
655	Grant towards specific operations	298
147	LEDS Early Adopter Grant	157
-	Neighbourhood Policing Grant	2,498
-	National Insurance Contributions Grant	3,760
999	OPCC – ASB Hotspot	989
963	OPCC – Immediate Justice	-
873	OPCC - Perpetrator Grant	714
397	OPCC - Safer Streets Grant	-
296	OPCC – Serious Violence	767
315	OPCC – Serious Violence Remedy	-
10	Other Home Office Grants	71
6,308	Police Pension Support Grant	5,637
2,315	Police Special Grant – Pay Award	1,696
7,265	Police Uplift Grant (ringfenced element)	6,411
38,767		**43,364**
	Other Grants	
534	Apprenticeship Levy Grant	495
2,320	Ministry of Justice – PCC – for local commissioning of victim support services (including restorative justice services)	2,272
28	Office of Gas and Electricity Markets (OFGEM)	15
444	Safety Camera Project and Road Safety	415
3,326		**3,197**
1,598	Regional Grants – EMSOU	2,655
46,098	**Total Grants**	**51,670**
4,219	Contributions and Donations	4,372
50,317	**Total Grants, Contributions, and donations**	**56,042**

The main variances in grant were for

- **The East Midlands Counter-Terrorism Intelligence Unit** grant has increased from £16,672m in 2024/25 to £18,809m in 2025/26. This is primarily due to the pay award uplift increasing staffing costs. There has been also an increase in non-pay expenditure from 2024/25.
- **Neighbourhood Policing 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.
- **National Insurance Contributions Grant** – The 2025/26 settlement included additional grant funding of £3.760m to mitigate the impact of an increase in employer National Insurance contribution rates, from April 2025.

In addition to the above grants and contributions, Derbyshire also act as agents for the Sensitive Equities. Grant and contributions of £17.388m were paid to Derbyshire by the Home Office and the monies were distributed to various forces. The purpose of this grant is to bolster the national critical Serious Organised Crime law-enforcement capability. Derbyshire also act as agent and receive grant on behalf of the East Midland Cyber Resilience Centre, this amounted £0.199m in 2025/26.

The Police & Magistrates Court Act 1994 permits the Commissioner to accept gifts of money, and gifts or loans of other property. This can supplement Policing Activities. In accordance with the Financial Management Code of Practice a Register of such items is maintained. In 2025/26 the amount 'gifted' under this scheme was £2,920 compared to £3,542 for 2024/25.

Grants received from government departments are summarised below

2024/25 £'000	Central Government Receipts	2025/26 £'000
47,690	Revenue Support Grant	49,407
7,346	Localising Council Tax Support Grant	7,346
82,609	Police Grant	85,684
28,924	Pensions Grant	30,879
46,098	Other Government Grant (see note 6)	51,670

Note 7 Jointly Controlled Operations

East Midlands Jointly Controlled Operations

The Commissioner has entered into Jointly Controlled Operations (JCO) or collaborations with other East Midlands Commissioners. The share of cost to Derbyshire is different depending on the number of Commissioners partaking in the JCO. The following table show the accounts for **all the JCO'S and the Income and Expenditure 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 8 Related Party Transactions

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

Disclosure of these transactions allows readers to assess the extent to which the Commissioner 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 Commissioner.

Central Government
Central Government has effective control over the general operations of the Commissioner – it is responsible for providing the statutory framework within which the Commissioner operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Commissioner has with other parties (e.g. council tax bills).

Commissioner and officers
The Commissioner and their office have direct control over the financial and operating policies of the Force.

Certain senior officers might also be in a position to significantly influence the policies.

No related party transactions have been identified following the consultation with relevant officers.

Nicolle Ndiweni-Roberts assumed office as the Police & Crime Commissioner on the 13th May 2024. The previous Police & Crime Commissioner for Derbyshire, Angelique Foster, concluded her term in office on the 12th May 2024.

The Commissioner undertakes commissioning activities that result in payments made to a variety of large and small partner organisations (particularly in the public and voluntary/charitable sectors) to commission outcomes against their Police & Crime Plan. In the case of the smallest organisations, these funds may form a significant proportion of their total funding requirement.

The Police Digital Service (PDS) is a company limited by guarantee, owned and funded by policing. Police & Crime Commissioners (PCCs) are the majority owners of PDS and pay an annual subscription towards the running costs (£60k each). The role of the PDS is to provide technical insight, negotiate and manage ICT contracts and support major policing technology programmes.

The PCC for Derbyshire is a shareholder of the PDS. The PCC therefore has influence over national police ICT strategy and procurement.

In order for the PDS to have sufficient financial scale to operate in the largest ICT markets, a decision was taken by the Association of Police & Crime Commissioners (APCC) and ratified by individual PCCs to provide a financial guarantee to the PDS from local resources. This guarantee would only be called upon in exceptional circumstances (for example where financial resources are insufficient to manage large national contracts or to support the stability of the PDS) and, for

Derbyshire, amounts to £70k. This amount is not directly provided for in these financial statements and would be funded from reserves in the unlikely event it is called upon.

The PCC for Derbyshire is a member of the Association of Police and Crime Commissioners and pays an annual subscription of £49,695.

Other Public Bodies
The Commissioner participates in Jointly Controlled Operations with other East Midlands Commissioners. The Commissioner also entered into a Joint Venture with Derbyshire Fire to build a new joint Headquarters and to build a joint training centre/firearms range. The transactions have been disclosed elsewhere within the notes to the accounts.

In addition to the above, the Commissioner also has transactions during the year with other Local Authorities and Public Bodies. The material transactions are shown below:

2024/25			2025/26	
Payments £'000	Receipts £'000		Payments £'000	Receipts £'000
	93,729	Precepts and surpluses (including accruals)		100,867
		Local Authorities		
3,065	601	Derbyshire County Council	3,044	550
940	354	Derby City Council	734	369

Note 9 Accounting for Pension Costs (a)

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

The PCC Group 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 2025 which set contribution rates for the 3-year period commencing on the 1 April 2025.

The 2025/26 total employer contribution of £11.641m 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 consisted 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 2025/26.

In addition to contributions to the Pension fund the PCC Group 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 the 1 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 2022/23 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 52).

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). A 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 £1.446m 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 73.

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: -

Original 2024/25 £'000	Restated 2024/25 £'000		Local Government Pension Scheme Comprehensive Income & Expenditure Statement	2025/26 £'000	
Group	PCC	Group		PCC	Group
			Cost of Services		
10,925	148	10,777	Current service cost *	115	8,269
-	-	-	Past Service cost (incl curtailments)	-	-
			Financing and Investment Income and Expenditure		
(9)	(1)	(8)	Net Interest cost	(25)	(4,254)
10,916	**147**	**10,916**	**Total Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services**	**90**	**4,015**
			Other Post-Employment Benefits charged to the CIES		
			Re-measurements of surpluses/deficits		
4,279	25	4,155	Return on scheme assets (excluding the amount included in the net interest expense)	(93)	(16,300)
(585)	1	(4,520)	Actuarial losses/(gains) arising from changes in demographic assumptions	7	1,192
(61,624)	(506)	(56,453)	Actuarial losses/(gains) arising from changes in financial assumptions	(67)	(13,514)
(2,916)	260	15,497	Other experience changes	16	2,759
(29,928)	(173)	(29,928)	Changes in the effect of the asset ceiling	(399)	(71,857)
(90,774)	**(393)**	**(71,249)**	**Total Re-measurements**	**(536)**	**(97,720)**
(79,858)	**(246)**	**(60,333)**	**Total Post-Employment Benefits Charged to the CIES**	**(446)**	**(93,705)**

Original 2024/25 £'000	Restated 2024/25 £'000		Local Government Pension Scheme Movement in Reserves Statement Expenditure	2025/26 £'000	
Group	PCC	Group		PCC	Group
79,858	**246**	**60,333**	Reversal of net charges for post-employment benefits in accordance with the code	**446**	**93,705**
			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	178	11,658
		-	Retirement benefits payable to pensioners		-

2024/25 Group £'000	Police Pension Scheme Comprehensive Income & Expenditure Statement	2025/26 Group £'000
	<u>**Cost of Services**</u>	
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**
	<u>**Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement**</u>	
-	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 Comprehensive Income and Expenditure Statement**	**31,610**

2024/25 Group £'000	Police Pension Scheme Movement in Reserves Statement	2025/26 Group £'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.

<u>**McCloud Remedy Judgement – Police Pension Challenge**</u>

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

Note 10 contains details of the PCC Group'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	Restated 2024/25 £'000		Funded liabilities: Local Government Pension Scheme	2025/26 £'000	
Group	PCC	Group		PCC	Group
(334,817)	**(1,921)**	**(332,817)**	**Opening Balance as at the 1 April**	**(1,768)**	**(305,993)**
(10,925)	(148)	(10,925)	Current Service Cost	(115)	(8,269)
-	-	-	Past Service Cost (inc. curtailments)	-	
(16,370)	(98)	(16,370)	Interest on pension liabilities	(109)	(17,840)
(4,120)	(64)	(4,120)	Contributions from scheme participants	(75)	(4,277)
			Remeasurement gains and (losses):		
585	(1)	4,520	Actuarial gains/(losses) arising from changes in demographic assumptions	(7)	(1,192)
61,624	506	56,453	Actuarial gains/(losses) arising from changes in financial assumptions	67	13,514
2,916	(42)	(9,804)	Other experience changes	(16)	(2,759)
9,070	-	9,070	Benefits paid	1	9,342
(292,037)	**(1,768)**	**(305,993)**	**Deficit as at the 31 March**	**(2,022)**	**(317,474)**

2024/25 Group £'000	Unfunded Liabilities Police Pension Scheme	2025/26 Group £'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

The amount included in the Balance Sheet arising from the PCC Group's obligation in respect of its defined benefit plans is as follows:

Group	Local Government Pension Scheme		Police Pension Scheme		Balance Sheet	
	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)	(317,474)	(1,557,472)	(1,521,142)	(1,849,509)	(1,838,616)
Fair Value of Scheme Assets	383,225	422,643	-	-	383,225	422,643
Asset Ceiling Adjustment	(91,382)	(105,356)			(91,382)	(105,356)
Net liability arising from defined benefit obligation	**(194)**	**(187)**	**(1,557,472)**	**(1,521,142)**	**(1,557,666)**	**(1,521,329)**

PCC	Local Government Pension Scheme		Balance Sheet	
	2024/25 £'000	**2025/26 £'000**	**2024/25 £'000**	**2025/26 £'000**
Present value of the defined benefit obligation	(1,768)	(2,022)	(1,768)	(2,022)
Fair Value of Scheme Assets	2,167	2,646	2,167	2,646
Asset Ceiling Adjustment	(399)	(624)	(399)	(624)
Net liability arising from defined benefit obligation	-	-	-	-

The liabilities show the underlying long-term commitments that the PCC Group must pay for post-employment (retirement) benefits. The total liability of £1,521,329m has a substantial impact on the net worth of the PCC Group 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 Commissioner 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	**Restated 2024/25 £'000**		**Local Government Pension Scheme**	**2025/26 £'000**	
PCC	**PCC**	**Group**		**PCC**	**Group**
363,361	2,086	363,361	Opening fair value as at the 1 April	2,167	377,656
17,763	107	17,763	Interest Income	134	22,094
(4,279)	(25)	(4,155)	The return on plan assets, excluding the amount included in the net interest expense	93	16,300
11,330	153	11,330	Contributions from employer	178	11,658
4,120	64	4,120	Contributions from employees into the scheme	75	4,277
(9,070)	0	(9,070)	Benefits/transfers paid	(1)	(9,342)
-	(218)	(5,693)	Other Experience	-	-
383,225	**2,167**	**377,656**	**Closing fair value of scheme assets as at the 31 March**	**2,646**	**422,643**

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 £13.536m).

In 2025/26 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 Group				Local Government Pension Scheme Assets	2025/26 Group			
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 sub-total**	**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	-	0	0%
71,963	**32,062**	**104,025**	**23%**	**Debt Securities sub-total**	**84,109**	**34,982**	**119,091**	**28%**
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	0	189,551	45%
5,021	36,177	41,198	11%	Infrastructure	507	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%**

2024/25 PCC				Local Government Pension Scheme Assets	2025/26 PCC			
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 %
-	**94**	**94**	**4**	**Cash and cash equivalents**	**-**	**111**	**111**	**4%**
30	**-**	**30**	**1%**	**Equities**	**0**	**-**	**0**	**0%**
				Debt Securities				
136	181	318	15%	Corporate Bonds	169	219	388	15%
243	-	243	11%	UK Government Bonds	358	-	358	14%
27	-	27	1%	Other Bonds	-	-	0	0%
406	**181**	**588**	**23%**	**Debt Securities sub-total**	**527**	**219**	**746**	**28%**
5	**147**	**152**	**7%**	**UK Property**	**5**	**188**	**194**	**7%**
36	**76**	**112**	**5%**	**Private Equity**	**37**	**92**	**129**	**5%**
				Other Investment Funds				
354	604	958	44%	Equities	1,187	0	1,187	45%
29	205	233	11%	Infrastructure	33	248	280	11%
383	**809**	**1,191**	**55%**	**Other Investment Funds sub-total**	**1,219**	**248**	**1,467**	**55%**
860	**1,307**	**2,167**	**100%**	**Total Assets**	**1,788**	**858**	**2,646**	**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 the 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
Women	23.8	24.2	23.9	24
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	3.7
Rate of increase in pensions	2.95	3.0	2.70	2.95
Rate of CARE revaluation	-	-	3.95	4.2
Rate for discounting scheme liabilities	5.80	6.3	5.65	5.65
Take up option to convert annual pension into retirement grant: pre-April 2008 service	60	0	n/a	n/a
post-April 2008 service	60	0	n/a	n/a

Covid-19 and climate change

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 previous table.

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.

PCC 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	28	81	3	46

Group 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	-7.5	2.0	1.0	7.5
	Approximate monetary amount - £'000	(107,000)	36,000	12,000	107,000

Note 11 Property, Plant and Equipment

Movements in 2025/26 (a)	Operational		Other		Non-operational		TOTAL
	Operational Land & Buildings	Vehicles, Plant, Furniture Equipment	PFI Schemes	Jointly Controlled Operations [1]	Surplus Assets Not Held for Sale	Assets Under Construction	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At the 1 April 2025	**34,943**	**39,827**	**9,175**	**3,943**	**374**	**5,008**	**93,269**
Accumulated depreciation written off to the gross carrying amount	(3,015)	-	-	-	27	-	**(2,988)**
IFRS 16 movement	(499)	(18)	-	-	-	-	**(516)**
Additions	440	6,714	-	300	-	10,788	**18,242**
Revaluation Increases/(decreases) to RR	6	-	-	-	-	-	**6**
Revaluation decreases to SDPS	740	-	-	-	(27)	-	**713**
Indexation[2] Increases/(decreases) to RR	(12)	-	-	51	-	-	**39**
Indexation[2] decreases to SDPS	(53)	-	-	-	-	-	**(53)**
Derecognition – Disposals	-	(1,394)	-	(121)	-	-	**(1,515)**
Derecognition – Other	-	(2,067)	-	-	-	-	**(2,067)**
Reclassified to/from surplus	-	-	-	-	-	-	**-**
Reclassifications – other	1,417	392	28	-	-	(1,837)	**-**
At the 31 March 2026	**33,967**	**43,455**	**9,203**	**4,173**	**374**	**13,959**	**105,130**
Depreciation and Impairments							
At the 1 April 2025	**(1,739)**	**(22,616)**	**236**	**(1,441)**	**19**	**-**	**(25,541)**
Accumulated depreciation written off to the gross carrying amount	1,654	-	-	73	27	-	**1,753**
Depreciation charge	(654)	(5,374)	(428)	(280)	(27)	-	**(6,763)**
Derecognition – Disposals	-	1,045	-	109	-	-	**1,154**
Derecognition – Other	-	1,853	-	-	-	-	**1,853**
At the 31 March 2026	**(739)**	**(25,092)**	**(192)**	**(1,539)**	**19**	**-**	**(27,543)**
Net Book Value							
At the 31 March 2026	**33,227**	**18,362**	**9,011**	**2,634**	**393**	**13,959**	**77,586**
At the 31 March 2025	**33,204**	**17,211**	**9,411**	**2,502**	**393**	**5,008**	**67,729**

[1] Includes Assets Under Construction
[2] New requirement in 2025/26
RR = Revaluation Reserve   SDPS = Surplus or Deficit on the Provision of Services

Movements in 2024/25 (a)	Operational		Other		Non-operational		TOTAL
	Operational Land & Buildings	Vehicles, Plant, Furniture Equipment	PFI Schemes	Jointly Controlled Operations	Surplus Assets Not Held for Sale	Assets Under Construction	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At the 1 April 2024	**32,620**	**40,285**	**9,700**	**3,695**	**415**	**5,300**	**92,015**
Accumulated depreciation written off to the gross carrying amount	(5,396)	-	(890)	-	23	-	**(6,263)**
IFRS 16 adjustment	5,265	87	-	-	-	-	**5,352**
Additions	2,605	4,156	351	315	-	(214)	**7,213**
Revaluation Increases/(decreases) to RR	(806)	-	1,909	-	(13)	-	**1,090**
Revaluation decreases to SDPS	1,004	-	(1,895)	-	(12)	-	**(903)**
Derecognition – Disposals	-	(975)	-	(67)	-	-	**(1,042)**
Derecognition – Other	-	(3,726)	-	-	-	-	**(3,726)**
Reclassified to/from surplus	-	-	-	-	-	-	-
Reclassifications – other	(349)	-	-	-	(39)	(78)	**(466)**
At the 31 March 2025	**34,943**	**39,827**	**9,175**	**3,943**	**374**	**5,008**	**93,269**
Depreciation and Impairments							
At the 1 April 2024	**(1,894)**	**(22,140)**	**(344)**	**(1,233)**	**19**	**-**	**(25,592)**
Accumulated depreciation written off to the gross carrying amount	1,402	-	862	-	27	-	**2,291**
Depreciation charge	(1,247)	(4,889)	(282)	(270)	(27)	-	**(6,715)**
Derecognition – Disposals	-	687	-	62	-	-	**749**
Derecognition – Other	-	3,726	-	-	-	-	**3,726**
At the 31 March 2025	**(1,739)**	**(22,616)**	**236**	**(1,441)**	**19**	**-**	**(25,541)**
Net Book Value							
At the 31 March 2025	**33,204**	**17,211**	**9,411**	**2,502**	**393**	**5,008**	**67,729**
At the 31 March 2024	**30,726**	**18,145**	**9,356**	**2,463**	**434**	**5,300**	**66,423**

RR = Revaluation Reserve   SDPS = Surplus or Deficit on the Provision of Services

Split of Assets between Commissioner and Chief Constable (c)

Under the Stage 2 transfer as at the 1 April 2014, all vehicles, plant, and equipment transferred to the Chief Constable (including Plant and Equipment held within Assets Under Construction). Land and Buildings and Jointly Controlled assets remained with the Commissioner. The split is as follows:-

Assets – Net Book Value	Chief Constable 31 March 2026	Commissioner 31 March 2026	PCC Group 31 March 2026
	£'000	£'000	£'000
Operational Land & Buildings	-	33,227	33,227
Surplus Assets	-	393	393
Vehicles, Plant, Furniture & Equipment	18,362	-	18,362
PFI Schemes	-	9,011	9,011
Jointly Controlled Operations	-	2,634	2,634
Assets Under Construction	1,252	12,707	13,959
Total Assets Net Book Value	**19,614**	**57,972**	**77,586**

Valuation of Assets (d)

Previously, all land and building assets were re-valued every five years, the last full valuation of all land and buildings being as at 31 March 2025. From 2025/26 a rolling programme of valuations commenced with a proportion of our land and buildings re-valued every year ensuring each building is re-valued at least once every five years. A total of 12 properties (including 3 HQ site component properties) were valued as at the 31 March 2026.

The valuations for land and buildings were made in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. Valuations in 2025/26 were carried out by General Practice Chartered Surveyors (Members of the RICS), signed off by Liz MacDonald MRICS, Registered Valuer, NPS Property Consultants Ltd. The basis of valuation is shown in the Statement of Accounting Policies (page 22).

Vehicle information has been taken from the Vehicle Fleet Information System and IT and Communications information has been provided by the Digital Data and Technology Department.

The Balance Sheet shows a share of all the Jointly Controlled Operation assets. These are jointly controlled operations with the other East Midland Commissioners (see note 7). Derbyshire's share of the assets is dependent on the collaboration agreement between the Commissioners and how many of them are within the agreement. The assets represent buildings, vehicle, equipment and IT assets.

31 March 2025		Jointly Controlled Operations	31 March 2026	
Total	Derbyshire Share		Total	Derbyshire Share
£'000	£'000		£'000	£'000
11,551	2,518	Fixed Assets –Tangible/intangible	12,135	2,646
3,286	774	Net Current Assets	6,769	1,549
14,837	**3,292**	**Total Net Assets**	**18,904**	**4,195**
		Represented by		
4,196	978	Usable Reserves	7,770	1,774
10,641	2,314	Unusable Reserves	11,134	2,421
14,837	**3,292**		**18,904**	**4,195**

The above information has been included in the PCC Group's Balance Sheet.

Additions in Year (e)
This relates to capital expenditure in the year excluding intangible assets which is shown in Note 12.

Assets Held by the PCC Group (f)
A brief analysis of the PCC Group's principal assets is set out below:

31/03/2025	Asset Type	31/03/2026
Number of assets		Number of assets
20	Main Headquarters (component properties)	20
1	Divisional Headquarters	1
16	Section Stations	17
3	Child Protection unit & Victim Suite	3
7	Community Offices & Others	6
1	Surplus Properties	1
3	Radio Masts	3
764	Vehicles	788
1	PFI Buildings	1
% of assets		% of assets
21.8%	EMSOU & EMFSS & EM Legal	21.8%
25.11%	EM Learning & development	25.11%
50%	HR Service Centre	50%

Depreciation (g)
The basis of depreciation is shown in the Statement of Accounting Policies (page 22).

Note 12 Intangible Assets

The PCC Group 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 Property, Plant and Equipment.

Intangible Assets	2024/25			2025/26		
	Purchased Software Licences £'000	Purchased Software Licences-JCO £'000	Total PCC Group £'000	Purchased Software Licences £'000	Purchased Software Licences – JCO £'000	Total PCC Group £'000
Net carrying amount 1 April	**466**	**12**	**478**	**366**	**16**	**382**
Additions	52	6	58	-	-	-
Reclassifications	-	-	-	-	-	-
Derecognitions	-	-	-	(53)	-	(53)
Amortisation in year	(152)	(2)	(154)	(125)	(4)	(129)
Balance as at the 31 March	**366**	**16**	**382**	**188**	**12**	**200**

From 2014/15 Software Licences are shown on the Chief Constable's Balance Sheet, except for Jointly Controlled Operations (JCO) software which is shown on the Commissioner's Balance sheet.

Note 13 Investments in Associates and Joint Ventures

In 2014/15 Derbyshire Police and Derbyshire Fire and Rescue Service formed a Joint Venture under a Limited Liability Partnership (LLP). It will be operated by both organisations to strengthen transparency, accountability and governance for the construction and operation of joint buildings with an aim of working towards a more economic, effective and lower carbon estate. There are currently 2 buildings, a Joint Headquarters and a Joint Training Centre/Firearms Range.

Derbyshire Police's investment in the joint venture to date is shown below, this represents Derbyshire Police's 66% share of the Joint Headquarters and 40% share of the Joint Training Centre/Firearms Range.

Investment in Joint Venture	31 March 2025 £'000	31 March 2026 £'000
Balance as at the 1 April	16,815	16,815
Spend in year	-	-
Total Investment in Joint Venture (Historic Cost)	**16,815**	**16,815**
Representing		
-Joint Headquarters	12,211	12,211
-Joint Training Centre/Firearms Range	4,604	4,604
Total Investment in Joint Venture PCC Group Accounts (Net Share of Assets)	**19,299**	**22,932**

The Joint Venture operates an Income and Expenditure Account, the LLP Board agreed to redistribute 100% of profits to members (Police and Fire). The profit share for 2025/26 was £0.290m (£0.284m in 2024/25). This is reflected in the CIES.

Note 14 Stock & Stores

The group holds stocks of uniforms, vehicle equipment, personal protective equipment (PPE) and other operational equipment. IAS2 Inventories require stocks to be valued at the lower cost or net realisable value, however the net realisable value for many stock items such as uniforms would be negligible under this treatment and this would substantially understate the value of these current assets which are usually utilised within a year. Stocks and Stores items are therefore valued at purchase price. Any stock subsequently obsolete or damaged would be treated as a write off against the Comprehensive Income and Expenditure Statement with the accounts in the year.

The value of the inventories held by the group as at 31st March 2026 is £0.455m (compared to £0.376m in 2024/25).

Note 15 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. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Commissioner, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred by the Commissioner that has yet to be financed. The CFR is analysed in the second part of this note.

2024/25			2025/26	
PCC £'000	Group £'000		PCC £'000	Group £'000
39,559	**39,559**	**Opening Capital Financing Requirement**	**48,530**	**48,530**
		<u>Capital investment</u>		
5,333	6,758	*Property, Plant and Equipment*	11,509	18,241
5,300	5,387	*Right of Use Assets*	4,590	4,572
6	58	*Intangible assets*	0	0
8	8	*Revenue Expenditure Funded from Capital under Statute (REFCUS)*	50	50
1,564	-	*REFCUS (grant/loan to Chief Constable) – Intra Group funding*	6,714	-
12,211	**12,211**	**Total Capital Investment**	**22,863**	**22,863**
		<u>Sources of Finance</u>		
-	-	*Capital receipts*	(531)	(531)
(1,541)	(1,541)	*Government Grants & Contributions*	(1,502)	(1,502)
(874)	(874)	*Direct revenue contributions*	(3,528)	(3,528)
(825)	(825)	*Minimum Revenue Provision (MRP)*	(895)	(895)
48,530	**48,530**	**Closing Capital Financing Requirement**	**64,937**	**64,937**
		<u>Explanation of movements in the year</u>		
(106)	(106)	Decrease in underlying need to borrow (supported by Government financial assistance)	(108)	(108)
9,367	9,367	Increase in underlying need to borrow (unsupported by Government financial assistance)	16,811	16,811
(290)	(290)	Assets acquired under PFI Contracts	(295)	(295)
8,971	**8,971**	**Increase in Capital Financing Requirement**	**16,408**	**16,408**

Note 16 Debtors

The level of debt outstanding during 2025/26 was analysed and it was decided that it would be prudent to provide a bad debt provision of £0.010m after taking account of the current year's write-offs.

Debtors are analysed as follows and include Derbyshire's share of jointly controlled operations debtors: -

Debtors	31 March 2025 £'000	31 March 2026 £'000
Government Departments and Agencies	24,360	23,654
Local and Police Authorities	6,925	9,736
Share of Council Tax Debtors	5,671	6,230
Other Entities and Individuals	9,263	12,287
Less: Provision for Bad debts	(15)	(10)
Total Debtors	**46,204**	**51,897**

Note 17 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

Cash and Cash Equivalents	31 March 2025 £'000	31 March 2026 £'000
Cash held by the Commissioner	86	86
Bank current accounts	2,220	1,539
Proceeds of Crime Cash	702	476
Total Cash and Cash equivalents	**3,008**	**2,101**

Note 18 Assets held for sale

As at 1 April 2025 one asset met the criteria of Assets held for sale. This asset was sold during 2025/26 and no further assets were classified as an Asset held for sale as at the 31 March 2026.

	Assets held for sale £'000
Balance as at 1 April 2025	**465**
Assets newly classified as held for sale	0
Transfer to Operational assets	-
Gains/losses on revaluation of assets held for sale	-
Sale of assets in year	(465)
Balance as at 31 March 2026	**0**

Note 19 Creditors

Creditors are analysed as follows and include Derbyshire's share of jointly controlled operations creditors: -

Creditors	31 March 2025 £'000	31 March 2026 £'000
Government Departments and Agencies	6,446	8,711
Local and Police Authorities	15,114	18,455
Share of Council Tax Creditors	5,773	6,258
Other Entities and Individuals	9,124	10,354
Total Creditors – Commissioner	**36,457**	**43,778**
Employee Benefits – Chief Constable	3,446	3,801
Total Creditors	**39,903**	**47,579**

Note 20 Borrowing and Investments

The borrowing and investments disclosed in the Balance Sheet are:

	31 March 2025			31 March 2026		
	Long Term £'000	Current £'000	Total £'000	Long Term £'000	Current £'000	Total £'000
PWLB	28,581	1,316	29,897	39,924	7,799	47,723
Total borrowing	**28,581**	**1,316**	**29,897**	**39,924**	**7,799**	**47,723**
Loans and receivables – Temporary Investments	-	20	20	-	8,788	8,788
Total investments	**-**	**20**	**20**	**-**	**8,788**	**8,788**

'Current' is investments and borrowing less than one year. Interest earned is charged to the Income and Expenditure Account on an accrual's basis and hence Temporary investments and Short term borrowing figures on the Balance Sheet also includes interest earned but not yet paid as at the 31 March 2026.

PWLB is borrowing with the Public Works Loan Board. Three new loans totalling £19m were raised during 2025/26 this was driven by the Capital Programme for 2025/26 to 2026/27. The total PWLB outstanding at the 31 March 2025 is £47.581m plus interest of £0.142m. The repayment schedule for PWLB is shown in Note 23c.

Loans and receivables are surplus cash that the Commissioner invests in short-term deposits and temporary investments with a range of banks and financial institutions. Temporary investments outstanding as at the 31 March 2026 is £8.750m plus interest of £0.038m. PFI finance lease liabilities are shown in Note 24c.

Note 21 Interest from borrowing and investments

Interest payable on external borrowings and interest receivable on short term investments fall on the Comprehensive Income and Expenditure Statement as shown below: -

	Total 31 March 2025 £'000	Borrowings £'000	Investments £'000	Total 31 March 2026 £'000
Interest Payable and similar charges	570	568		568
Interest Payable on PFI Schemes	209	157		157
Interest and investment Income	(1,514)		(1,078)	(1,078)

Note 22 Financial Instruments - Assets and Liabilities

A financial instrument is any contract that results in a financial asset on the Balance Sheet of one entity (for example the Commissioner) and a financial liability or equity instrument on the Balance Sheet of another entity. The term "financial instrument" covers both financial assets and financial liabilities ranging from the most straightforward (i.e. temporary investments, debtors and creditors) to the most complex (i.e. derivatives). Financial assets and financial liabilities are carried in the Balance Sheet at amortised cost. The fair value of each class of financial asset and liabilities is as follows: -

	31 March 2025		31 March 2026	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Assets				
Temporary Investments	20	20	8,788	8,788
Cash and Cash Equivalents	3,008	3,008	2,101	2,101
Debtors (contractual only)	37,301	37,301	42,992	42,992
Financial Liabilities				
Borrowing				
PWLB	(29,897)	(14,301)	(47,723)	(47,723)
PFI Liabilities	(1,978)	(1,978)	(1,050)	(1,050)
Creditors (contractual only)	(28,796)	(28,796)	(35,212)	(35,212)

Financial Assets
The fair value of investments has been assessed as being the same as the carrying value due to the investments being short term (less than one year). Cash is assumed to have a fair value which is equivalent to the carrying amount due to the short-term nature of the asset. In the case of debtors, the carrying amount (the invoiced amount) as shown in the balance sheet is assumed to approximate to fair value. These are likely to mature in the next 12 months.

Financial Liabilities
The fair value of PWLB has been calculated by reference to the new borrowing (certainty rate) set of rates as at the 31 March 2026. The fair value of PWLB is less than the carrying amount because the Commissioner's portfolio of loans is

based on fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at the 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

In the case of creditors, the carrying amount (the billed amount) as shown in the balance sheet is assumed to approximate to fair value. These are likely to mature in the next 12 months.

Sensitivity Analysis
If interest rates had been 1% higher, the fair value of PWLB would have been £1.671m lower using the using the new borrowing (certainty rate) discount rate. As borrowings are not carried at fair value on the Balance Sheet there is no impact on the Comprehensive Income and Expenditure Statement.

Note 23 Nature and Extent of Risks arising from Financial Instruments

The Commissioner's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Commissioner to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. These procedures require the Commissioner to manage risk in the following ways:

- By formally adopting the requirements of the Code of Practice.
- By approving annually in advance prudential indicators for the following three years limiting:
    - The Commissioner's overall borrowing.
    - Its maximum and minimum exposures to fixed and variable rates.
    - Its maximum and minimum for exposures of the maturity structure of debt.
    - Its maximum annual exposures to investments maturing beyond a year.
- By approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

The Commissioner's Treasury Management Strategy including the Investment Strategy is approved annually before the start of the year to which it relates which outlines the detailed approach to managing risk in relation to the Commissioner's financial instrument exposure. Actual performance is also monitored at least annually. The key risks are:

a) Credit Risk Exposure
This is the risk that one party to a financial instrument will fail to meet their contractual obligations, causing a loss for the other party. Exposure to this risk is managed through the Commissioner's Treasury Management Strategy including the Investment Strategy. The Commissioner only invests in approved institutions who meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services.

The policy for 2025/26 was to limit investment to the following categories;

- UK Banks & Building Societies
- Guaranteed Banks with suitable sovereign support
- Local Authorities
- Debt Management Office
- Money Market Funds

The Commissioner does not make deposits with the above unless they meet the minimum requirements of the investment criteria at that time. There are also limits in place to how much can be invested with counterparties and for how long.

No breaches of the Commissioner's counterparty criteria occurred during the reporting period, and the Commissioner does not expect any losses from non-performance by any of the counterparties in relation to deposits.

Whilst the current international markets position has slightly raised the overall possibility of default the Commissioner maintains strict credit criteria for investment counterparties and seeks security of capital over maximising interest.

The risk of customers failing to pay the Commissioner for goods/services provided is low as this income is only a small proportion of total income. The risk is managed via the Commissioner's Credit Control Procedures. These procedures set out the framework within which financial relationships with the Commissioner's customers are managed beginning with raising an invoice through to invoking legal action should it be required. The Chief Finance Officer can write off bad debts up to a limit of £10,000 in each case. Larger sums are referred to the Commissioner. To further mitigate the risk of Customer credit default, the Commissioner makes a bad debt provision each year.

b) Liquidity Risk Exposure
This is the risk that a party will be unable to raise funds to meet its commitments associated with financial instruments. The Commissioner manages its liquidity position through the risk management procedures above as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed to meet payment obligations (eg; payments to creditors and in respect of the Commissioner's employees). If unexpected movements happen, the Commissioner has access to borrowings from both the money markets

and PWLB. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

c) Refinancing and Maturity Risk
This is the risk that the Commissioner might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms. The risk relates to the maturing of longer-term financial liabilities and the fact that the Commissioner will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The financial liabilities however all mature at different times. The maturity analysis of financial liabilities is as follows; -

2025/26	PWLB £'000
Less than one year interest	142
Less than one year principal	7,656
Between one and two years	12,619
Between two and five years	1,628
Between five and ten years	2,078
Between ten and fifteen years	2,000
More than fifteen years	21,600
Total	**47,723**

This excludes trade and other payables which are due to be paid in less than one year and PFI Liabilities which are repaid over the life of the contract.

d) Market Risk Exposure
This is the risk that the value of an instrument will fluctuate because of changes in interest rates, market prices, foreign currency exchange rates.

Interest Rate Risk - The Commissioner has limited risk. PWLB interest rates are fixed and investments are only temporarily invested (less than a year). The risk therefore arises from the uncertainty of what level interest rates will be at when the Commissioner either makes a temporary investment or enters into a new borrowing arrangement with PWLB. A movement in interest rates could have a complex impact on the Income and Expenditure Statement. For instance, a rise in interest rates may have the following effects:

- Future borrowings may be more costly and result in a higher interest expense charged to the Comprehensive Income and Expenditure Statement
- The fair value of existing borrowings may alter
- Future temporary investments may realise a greater return and result in a higher interest receipt credited to the Comprehensive Income and Expenditure Statement

Borrowings are not carried at fair value in the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Reserve Balance.

The Commissioner will consider, where economic conditions allow, the viability of repaying loans early to limit the exposure to interest rate risk.

Market Price Risk - The Commissioner does not invest in equity shares and hence has no exposure to the gains or losses arising from a movement in the price of shares.

Foreign Exchange Risk - The Commissioner has no financial assets or liabilities in foreign currencies and hence has no exposure to loss arising from movements in exchange rates.

Note 24 Private Finance Initiatives

The Commissioner had two Private Finance Initiative (PFI) project agreements: -

On the 23 December 1997 an agreement for the provision of a new serviced police station at Ilkeston was signed. The arrangement was for 30 years from October 1998 until September 2028.The building was occupied from October 1998 when payments commenced. In November 2023 we exited the Ilkeston contract early, securing the building as a long-term asset.and removing risk around both the uncertainty of long-term costs as well as any risk in terms of the effect of the loss of this site to policing.

On the 26 February 1999 an agreement for the provision of a new fully serviced Divisional Headquarters and City Section Station at Derby was signed. The arrangement is for 30 years from the 18 December 2000 until 17 December 2030. The building was occupied from the 18 December 2000 when payments commenced.

Property, Plant and Equipment

The assets used to provide services at the police station and divisional headquarters are recognised on the Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, plant and equipment balance in Note 11.

Payments
The Commissioner makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed. The amount of Unitary charge paid in 2025/26 was £4.039m for Derby (the equivalent unitary charge paid in 2024/25 was £4.229m for Derby). The total charge for each scheme can be analysed as follows: -

	2024/25 £'000	2025/26 £'000
Service Payment	1,894	2,685
Interest on liability	209	157
Lifecycle Payments	1,463	269
Repayments of Principal	663	929
Total Unitary Charge	**4,229**	**4,039**

There are no further remaining payments to be made under the Ilkeston PFI contract. The projected remaining payments to made under the Derby PFI contract at the 31 March 2026 are as follows: -

	Derby PFI				
	Service Payments £'000	Interest on Liability £'000	Lifecycle Payments £'000	Principal Payments £'000	Total Payments £'000
2026/27	2,899	83	0	192	3,174
2027/28 to December 2030	11,451	164	-	857	12,472

For Derby the expected costs include estimated inflation of 3% on service payments and lifecycle as per the operators' model. Elements of the fee can also be benchmarked every five years if either of the parties instigate the benchmarking exercise. This involves comparing the charge for individual items within the overall fee against charges within similar contracts. The third benchmarking exercise with effect from December 2015 was instigated by the service provider and the outcome was formally agreed in October 2020. Projected future payments exclude future availability/performance deductions.

The Commissioner receives a Special Grant towards the financing of the PFI schemes, in 2025/26 £2.387m was received for the Derby PFI.

The payment of grant is on an annuity basis, the same amount of grant is paid each year over the life of the contract.

The difference in grants received and actual payments plus current value of savings on the original station, plus a contribution plus interest in the year has been transferred to or from the PFI Reserves. This reserve is to fund future PFI payments and enables the net costs to be spread evenly over the contract period. For Derby the movement from reserves was £0.928m.

Liability
The PFI liability is written down by the repayment of principal each year as shown below:

PFI Liability	**Derby PFI £'000**
Balance as at the 31 March 2025	**1,978**
Principal Paid 2025/26	928
Cancellation of PFI Liability	
Balance as at the 31 March 2026	**1,050**

In the balance sheet this is shown as short term (£0.192m) which is repayable within a year and long term PFI Finance lease liability (£0.858m). The liability for the Ilkeston building has been transferred to Property, plant & equipment on the balance sheet.

Note 25 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.

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 relates 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 26 Contingent liabilities / Contingent assets

Contingent liabilities/assets arise where the Commissioner 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 Commissioner'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 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.

Devolution of PCC Functions
Police and Crime Commissioners will be abolished across England Wales at the end of the current terms in May 2028, with the responsibilities devolved to regional Mayors. This governance change is anticipated to affect financial responsibilities, though the full details of the transfer mechanisms have yet to be outlined.

Contingent Assets

The Commissioner has no contingent assets as at the 31 March 2026.

Note 27 Usable Reserves

Movements in usable reserves are detailed in the Movement in Reserves Statement. The balance as at the 31 March was made up of the following:

Usable Reserves	31 March 2025 £'000	31 March 2026 £'000
General Reserve Balance	6,500	6,500
Earmarked Reserves	13,951	15,883
Usable Capital Receipts Reserve	-	-
Capital Grants Unapplied	861	65
Total Usable Reserves PCC	**21,312**	**22,448**
Share of LLP Retained Profit Reserve	42	42
Total Usable Reserves PCC Group	**21,354**	**22,490**

Earmarked Reserves

This note sets out Transfers to/from Earmarked Reserves.

Earmarked Reserve	Balance 31 March 2025 £'000	Transfers To Reserves £'000	Transfers From Reserves £'000	Transfers Between Reserves £'000	Balance 31 March 2026 £'000
Reserves					
Carry Forward Reserve	357	754	(73)	(103)	935
Operational Funding & Investment Reserve	3,547		(209)	529	3,867
Ilkeston Police Station Property Maintenance	749	-	-		749
PFI Reserve – Derby	231	200	(230)		201
Insurance Reserves	336	8	-		344
PCC Grants & Commissioning Reserve	540	500	(247)		793
Workforce Resilience & Well-Being Reserve	485	-	-	-	485
Design Board Reserve	5,678	-	(247)	-	5,431
Planning Day Initiatives Reserve	183	-	(94)	(89)	-
26/27 Budget Pressures Reserve	-	500	-	-	500
Investment Fund Reserve	11		(11)		-
Business Case Reserve	855	500	(214)	(337)	804
Total Reserves	**12,972**	**2,462**	**(1,325)**	**(0)**	**14,109**
Jointly Controlled Operations Reserves	979	795	--	-	1,774
Total Earmarked Reserves PCC	**13,951**	**3,257**	**(1,325)**	**(0)**	**15,883**
Share of LLP Retained Profit Reserve	42	-	-	-	42
Total Earmarked Reserves PCC Group	**13,993**	**3,257**	**(1,325)**	**(0)**	**15,925**

Carry Forward Reserve
This balance represents the agreed carry forwards from 2025/26 and remaining commitments for previously agreed initiatives.

Operational Funding and Investment Reserve
This reserve is to assist with the 'funding gap' in the revenue budget for 2026/27 and beyond and for investment in new and emerging and growing risk and threats.

Ilkeston Police Station Property Maintenance Reserve
The force exited the PFI Ilkeston contract in November 2023 and purchased the building. The remaining reserve value will be used to finance ongoing costs related to Ilkeston Police station.

PFI Reserve – Derby DHQ
This reserve represents the difference in grants received and actual payments for the Derby DHQ PFI, plus savings on the original Full Street headquarters, plus a contribution of £0.230m in the year. The reserve is to fund future PFI payments and enables the net costs to be spread evenly over the contract period.

Insurance Reserve
This reserve is for future insurance liabilities that are not covered by the insurance provision.

PCC Grants and Commissioning Reserve
This reserve has been set aside for crime prevention measures and other emerging priorities over the term of the Commissioners' office.

Workforce Resilience & Well-Being Reserve (previously Officer Uplift Support Costs Reserve)
As part of the government's Police Uplift Programme, the Constabulary received funding to support the recruitment of 283 additional police officers over a 3-year period to 31 March 2023. This reserve was created out of part of this funding to support the non-direct 'infrastructure' costs associated with recruiting and deploying these new officers. The Uplift of Officers has been completed, and the reserve will now be utilised for the wellbeing of the workforce going forward and to help protect Uplift numbers.

Design Board Reserve
The Constabulary's Design Board is chaired by the Deputy Chief Constable and has a brief to co-ordinate the implementation of design recommendations to improve processes and practices, especially through technological innovation. The remaining reserve is allocated in part to fund the Public Contact Improvement Programme (PCIP) and to support other activities approved by the Design Board.

Business Case Reserve
An additional £0.500m has been added to this reserve bringing the balance to £0.804m. This will enable the force's Strategic Change Board to evaluate and approve business cases for one-off costs in 2026/27.

26/27 Budget Pressures Reserve
£0.500m has been allocated to this newly created reserve to support expected budget pressure in 2026/27 that were not included in the approved budget.

Jointly Controlled Operations Earmarked Reserves
This represents Derbyshire's share of Jointly Controlled Operations reserves these are mainly to be used for future capital purchases and asset replacement.

Share of Retained Profit Reserve LLP
Under PCC Group Accounts a share of LLP reserves has to be shown, this represents Derbyshire's share of the retained profit of the LLP (in previous years this is the 25% of the profit the LLP have agreed to retain, since 2020/21 the LLP have agreed to redistribute 100% of the profit share not 75%). In 2021/22 the LLP used £0.007m of its retained profit reducing the balance to £0.042m. None of this retained profit was used in 2025/26.

Usable Capital Receipts Reserves

The usable capital receipts reserve represents the capital receipts available to support additional capital expenditure in future years. During 2025/26 the sale of Long Eaton Police Station resulted in a capital receipt of £531k, all of which was used to fund capital expenditure during the year.

Capital Receipts Reserve	**£'000**
Balance as at the 1 April 2025	-
Receipts in year:	531
	531
Less:	
Capital receipts used	(531)
Balance as at the 31 March 2026	-

Note 28 Unusable Reserves

31st March 2025			Unusable Reserves	31st March 2026		
Chief Constable £'000	**PCC £'000**	**PCC Group £'000**		**Chief Constable £'000**	**PCC £'000**	**PCC Group £'000**
1	8,094	8,095	Revaluation Reserve	1	8,100	8,101
19,219	10,250	29,469	Capital Adjustment Reserve	19,608	7,672	27,281
(1,557,666)	-	(1,557,666)	Pensions Reserve	(1,521,329)	-	(1,521,329)
-	(102)	(102)	Collection Fund Adjustment Account	-	(28)	(28)
(3,446)	-	(3,446)	Accumulated Absences Account	(3,802)	-	(3,802)
(1,541,892)	**18,242**	**(1,523,650)**	**Total Unusable Reserves PCC**	**(1,505,522)**	**15,746**	**(1,489,776)**
-	-	2,442	Share of Revaluation Reserve LLP	-	-	6,075
(1,541,892)	**18,242**	**(1,521,208)**	**Total Unusable Reserves PCC Group**	**(1,505,522)**	**15,746**	**(1,483,701)**

Revaluation Reserve

The Revaluation Reserve contains the gains arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Under Equity accounting the PCC Group Accounts includes a share of the Revaluation Reserve of the LLP.

Revaluation Reserve	**2024/25 £'000**	**2025/26 £'000**
Balance as at the 1 April	**9,185**	**8,095**
Upward revaluation of assets	1,329	157
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2,419)	(151)
Surplus on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	**(1,090)**	**6**
Difference between fair value depreciation and historical cost depreciation	-	-
Disposal of assets	-	-
Amount written off to the Capital Adjustment Account	**-**	**-**
Balance as at the 31 March	**8,095**	**8,101**
Share of Revaluation Reserve LLP	2,442	6,075
Balance as at the 31 March PCC Group	**10,537**	**14,176**

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 as finance for the costs of acquisition, construction and enhancement.

The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

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	**35,141**	**29,469**
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 (incl IFRS 16 adjustments)	(6,971)	(7,394)
• Revaluation losses on Property, Plant & Equipment	(2,695)	(536)
• Reversal of Lease Liability	544	434
• Capital Grants / Contributions credited to CIES	122	154
• Amortisation of Intangible Assets		(53)
• Revenue Expenditure funded from capital under statute	(8)	(50)
• 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	(293)	(1,039)
	(9,301)	**(8,484)**
Adjusting amounts written out of revaluation Reserve	-	-
Net written out amount of the cost of non-current assets consumed in the year	**(9,301)**	**(8,484)**
Capital Financing applied in the year		
• Capital Receipts	-	531
• Capital Grants and Contributions	1,730	1,398
• Statutory Provision for financing capital investment (MRP)	825	895
• Capital Expenditure charged against the General Reserve	1,074	3,472
	3,629	**6,296**
Balance as at the 31 March	**29,469**	**27,281**

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 PCC Group 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 PCC Group 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 PCC Group has set aside by the time the benefits come to be paid.

Pensions Reserve	Group 2024/25 £'000	Group 2025/26 £'000
Balance as at the 1 April	**(1,723,332)**	**(1,557,666)**
Actuarial gains or losses on pensions assets and liabilities	291,374	162,416
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)	(100,945)
Employer's pensions contributions and direct payments to pensioners payable in the year	73,160	79,598
Balance as at the 31 March	**(1,557,666)**	**(1,521,329)**

Collection Fund Adjustment Account

The Collection Fund adjustment account manages the difference arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers compared with the Statutory arrangements for paying across amounts to the General Reserve from the Collection Fund.

Collection Fund Adjustment Account	2024/25 £'000	2025/26 £'000
Balance as at the 1 April	**285**	**(102)**
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from the council tax income calculated for the year in accordance with statutory requirements	(387)	74
Balance as at the 31 March	**(102)**	**(28)**

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**	**(355)**
Balance as at the 31 March	**(3,446)**	**(3,802)**

Note 29 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2024/25 £'000	**2025/26 £'000**
Interest received including accruals	(1,514)	(1,078)
Interest received accruals	(27)	18
Interest received on a cash basis	**(1,541)**	**(1,060)**
Interest paid including accruals	779	725
Interest paid accruals	5	(19)
Interest paid on a cash basis	**784**	**706**

Note 31 Police Property Act Fund

Commissioners are required under the Police Property Act 1997 to set aside any money received from the sale of property which has come into their possession in connection with a criminal charge. The net proceeds from this fund are subsequently either repaid to the individual, used to defray expenses incurred in the storage and safe custody of property, or distributed to local charities. The balance on the fund as at the 31 March 2026 was £45,342 (£16,026 as at the 31 March 2025). Derby Women's Centre was the nominated charity who received funds for 2023/24. This balance has not been included in the PCC Group Balance sheet, as it does not represent monies owned by the Group.

Note 32 Authorisation of Accounts for issue

The 2025/26 Statement of Accounts were authorised for issue by the Chief Operating Officer & 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 33 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. The last re-valuation that has been implemented took place as of the 31 March 2016 and was used to set an employer contribution rate from April 2019 of 31.0% (previously 24.2%) of pensionable pay.

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 17 to 29).

POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE

STATEMENT OF ACCOUNTS 2025/26

COMMISSIONER'S ANNUAL GOVERNANCE STATEMENT 2025/26

Position as at 31 March 2026 including plans for the financial year 2026/27

1 INTRODUCTION

1.1 This Annual Governance Statement (AGS) explains how the Police and Crime Commissioner (Commissioner) 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 Commissioner and the Chief Constable have approved and adopted a Derbyshire Joint Code of Corporate Governance which is consistent with the seven principles of the CIPFA Framework: *Delivering Good Governance in Local Government: Guidance note for Policing in England & Wales 2016.* A self-assessment matrix demonstrates how the Police and Crime Commissioner complies with those principles. It is available on the Commissioner's website.

1.3 The Chief Constable produces a separate AGS which covers in more detail the activities of Derbyshire Constabulary together with any action plans produced to address governance or control issues. The Police and Crime Commissioner has reference to the Chief Constable's AGS (particularly the action-plan) and will monitor delivery against any actions as part of holding the Chief Constable to account. It is recommended that this AGS is therefore read in conjunction with the Chief Constable's version.

1.4 The current Commissioner (and signatory on this Annual Governance Statement) was elected in May 2024.

SCOPE AND RESPONSIBILITY

1.5 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.

1.6 The Commissioner is responsible under the Police Reform and Social Responsibility Act 2011 for securing, amongst other things, an efficient and effective police service for Derbyshire and to deliver value for money, and continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.7 In discharging this overall responsibility, the Commissioner is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its 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. The Chief Constable may do this through delegation to officers.

2 THE POLICE AND CRIME PANEL

2.1 The Police and Crime Panel has been established under legislation to hold the Commissioner to account by scrutinising the Commissioner's decisions and also has a role to play in overseeing the police and crime plan, on the setting of the precept, the appointment of the Commissioner's statutory officers and in the appointment of a Chief Constable. The panel is politically and geographically balanced with representatives from the local authorities in the policing area (including co-opted political members to maintain balance). For further information visit: *https://www.derbyshire.gov.uk/community/community-safety/derbyshire-police-and-crime-panel/derbyshire-police-and-crime-panel.aspx*

3 THE PURPOSE OF A GOVERNANCE FRAMEWORK

3.1 The Police Reform and Social Responsibility Act 2011 changed the way policing was governed by introducing one directly elected Commissioner. The Commissioner is a corporation sole, as is the Chief Constable, and this required a new governance framework to be adopted.

3.2 Governance is about the systems, processes, culture and values which companies and other organisations are directed and controlled. Good governance enables the Commissioner to:

- Deliver on their vision and priorities for policing and crime
- Performance manage the Chief Constable and other partners
- Hold the Chief Constable and other partners to account for delivery
- Make decisions in an open, transparent way
- Engage with the public and victims to achieve better outcomes
- Provide good stewardship over public funds and achieve value for money

Importantly, it also provides an appropriate level of control and flexibility to enable the Chief Constable to make timely, efficient and effective operational decisions.

3.3 The Policing Protocol Order 2023 (previously 2011) requires the Commissioner to abide by the seven Nolan Principles as defined by the Committee on Standards in 'Public Life' published in May 1995. These principles include: selflessness, integrity, objectiveness, accountability, openness, honesty and impartiality. The protocol also defines the Chief Constable's operational independence from interference by the Commissioner.

3.4 The Commissioner has sworn an oath of impartiality. This has committed the Commissioner to serve local people without fear or favour and it sets out her public commitment to performing her role with integrity, impartiality and fairness.

3.5 The Commissioner's governance framework has been in place since 22 November 2012 when the first Commissioner for Derbyshire was elected. The framework was in place at the year-end 31 March 2026. The original frame work was amended with effect from 1 April 2014 to reflect the transfer of all police staff (except those under the direct control of the Commissioner) to the employment of the Chief Constable (called the Stage 2 transfer). The Police and Crime Commissioner's governance framework applies up to and including the date that the 2025/26 Statement of Accounts are approved for publication.

3.6 The Commissioner is able to confirm that the financial management arrangements conform to the Financial Management Protocol issued under the Police Reform and Social Responsibility Act 2011 and the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Police

& Crime Commissioner and the Role of the CFO of the Chief Constable. The arrangements in place are in line with the expectations set out in the CIPFA Financial Management Code 2019.

4 THE POLICE AND CRIME PLAN

4.1 Each Commissioner is required to set out their vision, priorities and objectives for policing and crime within the Police and Crime Plan which has effect (subject to review) until the end of the financial year following a normal PCC election. The production and publication of the Police and Crime Plan is a core statutory planning requirement as defined by the Police Reform and Social Responsibility Act 2011. The Plan sets out the resources and assets that the Commissioner will make available to the Chief Constable for policing and the mechanisms by which the Chief Constable will report on performance and be held to account.

4.2 In developing the plan the Commissioner is required to consider a number of duties. These include:

- Working and co-operating with partner organisations in developing and implementing local crime and disorder strategies
- Engaging and consulting with the public, victims of crime and businesses
- Resources to support the strategic policing requirements to address national risks, harm and threats
- Have regard to the safeguarding of children, promoting the welfare of children and equality and diversity
- Co–operation with local criminal justice bodies to provide efficient and effective criminal justice services

4.3 Developing the Police and Crime plan is part of the Commissioner's annual business planning and commissioning cycle process. The Commissioner may review the Police and Crime plan to take account of public and victim consultation and findings from the partnership risk and threat assessment, subject to consultation with the Chief Constable and approval by the Police and Crime Panel.

4.4 Although the Chief Constable is responsible for operational policing matters, the direction and control of police personnel and for putting in place proper arrangements for the governance of the Constabulary, the Commissioner is required to hold the Chief Constable to account for the exercise of those functions and those of the persons under their direction and control. It therefore follows that the Commissioner must satisfy themself that the Constabulary has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice. To this end and because of the Chief Constable being a corporation sole with separate accounts, the Commissioner has had regard to the Chief Constable's AGS when producing this AGS.

5 THE INTERNAL CONTROL ENVIRONMENT

5.1 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it 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 Commissioner's policing objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

5.2 The following documents and strategies establish the policies, aims and objectives at a high level:

- The Police and Crime Plan reflecting local and national priorities
- The Police and Crime Commissioner's Annual Report
- The Medium Term Financial Plan
- Strategic Risk Registers (Constabulary and Commissioner)
- The Joint Scheme of Corporate Governance
- The Scheme of Delegation and Consent
- The Financial Regulations and Financial Management Handbook
- Terms of reference for the Joint Audit Risk and Assurance Committee (JARAC)

5.3 These documents and other strategies and policies, which incorporate best practice, demonstrate that the Commissioner operates a good system of internal control and is detailed further in the following key elements of the Internal Control environment.

5.4 The Internal Control environment supports the Commissioner in establishing, implementing and monitoring policies and objectives. The Commissioner, in consultation with the Chief Constable, published the Police and Crime Plan 2024-2029 based on public consultation, the assessment of risk and threat in the County and the Commissioner's manifesto commitments. The plan has to have regard to the national Strategic Policing Requirement and the Policing Protocol, as well as the community safety priorities of the responsible authorities. The plan is reviewed and updated annually. The Police & Crime Plan is available to view on the website: *https://www.derbyshire-pcc.gov.uk/commissioner/police-and-crime-plan/*

5.5 The Medium-Term Financial Plan and the Risk Registers are informed by the policing objectives identified in the Commissioner's Police and Crime Plan. These objectives are used to direct resources and manage activity and risk.

5.6 The activities of the Constabulary are further governed by the vision, corporate values, principles and behaviours that have been agreed by the Commissioner and the Chief Constable.

5.7 Through the mechanism of a regular Public Assurance Meeting (PAM), the Commissioner receives reports from the Chief Constable and senior officers covering how the Force is delivering against the priorities set out in the Police & Crime Plan. In addition to the PAM, the Commissioner established a Financial Assurance Board (FAB) which is jointly chaired with the Chief Constable and attended by senior officers from both the OPCC and Force. The FAB allows for detailed discussion and scrutiny of the Force's financial affairs and is pivotal in delivering against the Commissioner's Police & Crime Plan objective "Driving Efficiencies". This is supplemented by Strategic Estates Board (oversees the delivery of the asset management plan to meet the deliver models for the Force), a range of policies and processes to support the operation of the Commissioner's office, including a scheme of delegation to officers, standing orders relating to the business of the Commissioner, and codes of conduct for the Commissioner and a Deputy (if relevant) as well as the staff of the OPCC.

6 DERBYSHIRE POLICE AND FIRE PARTNERSHIP (LLP)

6.1 The LLP was established by Derbyshire Fire Authority (through the Chair) and the Police and Crime Commissioner as a vehicle by which joint estates projects such as the Joint Headquarters and Joint Training Centre buildings could be built and maintained. The LLP leases space to the respective operational services (Derbyshire Police and Derbyshire Fire & Rescue Service).

6.2 The LLP has its own corporate governance framework, based on the Nolan Principles, which reflects the desire of both parties to work together in the interests of the local community that they serve.

6.3 The LLP Management Board (co-chaired by the Police and Crime Commissioner and Chair of the Fire Authority) meets quarterly to (a) have oversight of how the two buildings are being operated/utilised (b) consider any proposals from officers and (c) to discuss any future opportunities that the LLP may be considered the right vehicle for. Both Chairs are supported by director-level officers from their respective organisations as well as subject matter experts as required.

7 RISK MANAGEMENT

7.1 The Chief Operating Officer (supported by the Deputy Chief Finance Officer) leads on risk management for the Commissioner. This encompasses both risks specific to the Commissioner’s responsibilities, but also a broader oversight over the Force’s risk management system.

7.2 The Commissioner’s risk register contains strategic risks linked to the Police & Crime Plan objectives as well as more operational risks that emerge from the work the office undertakes on the Commissioner’s behalf.

7.3 The Commissioner utilises the same risk management system (supplemented by an internal database), and methodology as the Force and reports twice yearly to the JARAC. The Deputy Chief Finance Officer attended the Force’s Risk Board as do on occasion members of the JARAC.

7.4 Risk management is a standing item on the agenda of the key management and team meetings within the Commissioner’s office and most notably features heavily in the Commissioner’s OPCC Management Board (OMB) that features the OPCC’s Senior Leadership Team, Communications Adviser and is chaired by the Commissioner.

7.5 Risk is discussed regularly between the Commissioner, the office, the Chief Constable and the Force – particularly strategic risks that have relevance to the broader policing and crime portfolio.

7.6 Both the Commissioner and the Force’s risk management systems are subject to regular internal audit review, the most recent of which recognised that the systems and controls gave substantial assurance.

8 TRANSPARENCY

8.1 The Commissioner has adopted and is following a wide ranging and robust transparency agenda which, whilst it is based on the secondary legislation of the two Specified Information orders and the requirements of the Information Commissioner’s Office, is nevertheless one of the Commissioner’s key tenets. Meetings are publicised in advance and published along with any supporting reports that are not subject to a restrictive marking.

8.2 The financial management of the Commissioner’s business is integrated with, and influenced by, many of the above processes, and includes processes for forward planning of expenditure and resources; budget consultation, setting and monitoring; and completion of final accounts, all aimed to be accurate, informative and timely. The Commissioner also has in place financial regulations designed to support sound financial management policies and procedures, and adherence thereto, and to reflect the Commissioner's current management structure and business activities.

8.3 In order to ensure compliance with policies, procedures and statutory requirements, the Commissioner has a range of controls and processes in place, as set out below. These processes also assist the Commissioner to ensure the economical, effective and efficient use of resources, and to secure continuous improvement in exercising their functions, providing for an effective performance management and reporting process.

8.4 The Commissioner or their representatives sit on Governance boards at all levels within the Constabulary and the Constabulary regularly provides the Commissioner with information on performance, finance and risk management, in accordance with an agreed forward plan. Furthermore, the FAB (see para 6.7) provides an additional forum at which the Commissioner can scrutinise and be assured on key financial planning and management information.

8.5 Collaborative functions are overseen by the East Midlands Police and Crime Commissioners Board (EMPCCB). The Board provides oversight of all collaboration activities in the region and is a forum for all Police and Crime Commissioners and Chief Constables to share and demonstrate their experiences of partnership work. All forces can discuss governance, performance and financial issues at the regular EMPCCB meetings. The EMPCCB is supported by the Regional Resources Board (currently chaired by the Commissioner), which has oversight of financial and internal audit matters for collaborative activity. In addition, there is a Regional CFO/FD Board where both the Commissioner and Chief Constable’s respective Chief Finance Officers discuss financial, audit and risk matters and advise the Regional Resources Board. The collaboration approach builds on best practice from across the region and nationally to improve performance and enhance resilience as well as delivering a cost saving agenda.

8.6 There are 5 forces in the East Midlands region – Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire. These continue to review collaborative arrangements through the East Midlands Police Collaboration Programme (EMPCP) which is led by the Assistant Chief Constable East Midlands. All the projects aim to save money, increase capacity and capability, maintain or improve customer service standards, use officer and staff time in the best way possible, deliver the best service with the resources available, improve performance or make better use of technology. The EMPCP focuses on delivering joint regional work in both operational and non-operational support services. Not all collaboration initiatives are shared by all five forces. Further information on the collaborations which Derbyshire is a participant in can be found within the main Statement of Accounts.

8.7 A regional AGS has been produced by the Assistant Chief Constable East Midlands covering performance monitoring, arrangements for compliance with relevant laws, policies and procedures, and that appropriate controls are in place for the management of resources. A management structure is in place, with clear lines of accountability for both operational issues and use of resources. Budgets for each service are approved each year at EMPCC/CC Board which defines the expenditure targets for each area of policing within regional collaboration.

8.8 Each force actively supports the budget allocation and sets its own precept accordingly. Management reports showing costs against budget are produced monthly and unexpected variances are investigated and explained, ready for reporting to EMPCC/CC Board quarterly (having been reviewed at the Regional CFO/FD Board and the Regional Resources Board). The monthly expenditure reports are shared across the region to provide each force with visibility over expenditure to date.

8.9 Whilst the EMPCC/CC Board provides joint oversight, Commissioners remain individually responsible for their decisions and Chief Constables are held to account locally for activities they carry out regionally.

8.10 The Joint Audit Risk and Assurance Committee (JARAC) for the Chief Constable and the Commissioner is charged with overseeing the corporate governance process, management of risk and financial reporting arrangements. It carries out the role similar to that of an audit committee but acts in an advisory and assurance capacity. It will review the Annual Governance Statement and approve its inclusion in the annual Statement of Accounts.

9 REVIEW OF THE JOINT CODE OF CORPORATE GOVERNANCE 2025/26

9.1 In adopting the Joint Code the Commissioner must comply with the principles of corporate governance in each of the six dimensions of the Commissioner's business:

- Focusing on the purpose of the Commissioner and the Constabulary, and on outcomes for the community, and creating and implementing a vision for the local area
- Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the Commissioner and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of the Commissioner and the Officer of the Police and Crime Commissioner to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

The Commissioner is satisfied that these requirements are being met through a combination of:

- The Police & Crime Plan and its supporting delivery plans
- The Public Assurance Meeting (PAM)
- The Financial Assurance Board (FAB)
- The Strategic Estates Board (SEB) / Derbyshire Police and Fire Partnership (LLP)
- Governance & Delegation policies
- Formal decision notices covering the Commissioner's decisions
- Ongoing engagement with communities, stakeholders and the wider public through digital and physical means

10 DELIVERING THE GOVERNANCE FRAMEWORK

10.1 The Commissioner is committed to maintaining an effective governance framework. Alongside this the Commissioner has a structure within the OPCC to support delivery against the Police & Crime Plan. This structure includes the Chief Operating Officer post (with statutory finance and corporate leadership responsibilities alongside being the designated Head of Paid Staff for the Commissioner); and Head of Governance & Compliance (in terms of the Monitoring Officer role).

10.2 The JARAC has oversight over areas of audit and inspection activity. This provides effective assurance that governance arrangements are working effectively. The JARAC has continued to refine its role in providing assurance on the Chief Constable and Commissioner's financial management arrangements during 2025/26.

10.3 External audit is carried out by Grant Thornton LLP, whilst Mazars provides the internal audit service. HMICFRS (Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services) have no remit to inspect the Commissioner but can inspect activities on request and for a fee. In addition, changes to either Fire governance and/or complaints handling may see elements of the Commissioner's activities inspected.

10.4 The designated Monitoring Officer (the Commissioner's Head of Governance & Compliance) is responsible for promoting and maintaining high standards of conduct of the Commissioner and a deputy (if relevant) by monitoring compliance with the law, Commissioner's Code of Conduct and the Register of Interests and Hospitality. The Head of Strategic Policy and Communications acts as the Deputy Monitoring Officer and both are supported by the Chief Operating Officer in discharging their roles.

10.5 Collaboration is overseen by Management Boards together with the work of the Regional Chiefs Executive Board and Regional CFO/FD Board which inform the agendas of the East Midlands Police and Crime Commissioners Board.

11 REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL

11.1 The Commissioner has responsibility for conducting, at least annually, the review of the effectiveness of the system of internal control. The review of effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within both the Constabulary and the Commissioner's Office who have responsibility for the development and maintenance of the internal control environment. It is also informed by the comments received from external auditors, and other agencies. The process is finally formalised by the declaration provided by the Commissioner, and Chief Operating Officer as part of the annual governance statement (a copy of which is available on the website).

11.2 Internal Audit also provides assurance statements for each audit they carry out during the year, categories being Substantial, Moderate, Limited or Unsatisfactory Assurance.

11.3 Management Assurance statements were provided to the Chief Operating Officer by individual Senior Officers in the OPCC to provide confirmation on the status of the internal control environment within their areas of responsibility.

The Head of Internal Audit Opinion has reported that:

" **On the basis of our 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."
and this is as detailed in the Internal Audit Annual Report 2025/26.

11.4 In addition to the above formal review, assurance is provided throughout the year through:

- The framework of regular management information
- Internal audit reviews, advisory reports and progress and follow-up reports
- Performance monitoring arrangements
- The role of the Professional Standards Department (PSD) where their work impacts on the activities of the Commissioner's office
- Reviews by other external agencies

11.5 Having undertaken the review of the effectiveness of the governance framework by the JARAC, the arrangements continue to be regarded as fit for purpose in accordance with the governance framework although it continues to be assessed in the context of the new performance and delivery portfolio of the OPCC. The areas of work or development and new actions planned in 2026/27 by the OPCC are outlined below:

- Work in collaboration with East Midlands Combined County Authority (EMCCA) on the transition programme to transfer PCC responsibilities to the Mayor from May 2028
- Perform scheduled reviews of sections of the Assurance Framework (both peer and COO) to ensure the assurance description remains current and sufficient to satisfactorily discharge the statutory duties of the PCC, COO and Monitoring Officer
- Continue to review the Police and Crime Plan alongside the Chief Constable's operational plans to ensure alignment
- Undertake thematic internal audit work (with regional partners) across regional collaborations.
- Maintain proactive horizon-scanning of central government policy developments, recognising the significance of remaining agile and informed in light of ongoing political volatility and the increasing prevalence of rapidly formulated policy initiatives emerging from Whitehall
- Reviewing partnership working in the increasingly challenging fiscal difficulties faced by the government
- Have oversight of the actions raised by Derbyshire Constabulary in its own AGS (see Derbyshire Constabulary's financial statements)

12 SIGNIFICANT INTERNAL CONTROL ISSUES

12.1 **Significant Internal Control Issues 2025/26–** apart from two audits relating to Skills Audit, and IT legacy Systems that was issued with limited assurance (all seven of the recommendations are being addressed). There are zero high recommendation(s) (out of 23 recommendations in total for 2025/26). The system of Internal Control is considered to have operated effectively in 2025/26. There are no known post balance sheet events.

13 LOOKING FORWARD

13.1 2026/27's financial settlement saw an approximate 2.3% increase in Government funding to the Commissioner for policing and crime. All the items are detailed within the Budget and Precept Report. A further increase in funding was achieved through the £15 precept increase, which itself generated an additional £6.1m of income. However, the increase in funding also resulted in additional cost, meaning in real terms there is still pressure on the medium-term position.

13.2 The Medium-Term Financial Strategy (MTFS) shows a forecasted worst-case scenario of a £3.9m funding deficit for 2027/28. As the MTFS assumptions are live, it will require refinements as time progresses. A revised MTFS will be produced in Autumn 2026 to further refine what we believe the financial challenge looks like. This will be scrutinised by the Commissioner at the FAB.

13.3 The PCC continues to invest in the Estate to support the Chief Constable's desire to improve the infrastructure and reduce the reliance on costly and obsolete older buildings. The two statutory Chief Finance Officers work together to ensure plans are balanced against the higher cost of borrowing and financial pressures elsewhere in the policing budget.

13.4 In November 2025, the Government announced that Police and Crime Commissioners will be abolished at the end of the current electoral cycle in 2028, with police governance responsibilities transferring to alternative local governance arrangements as part of wider police and devolution reform. In advance of this change, during 2026/27 the PCC will maintain oversight of emerging legislative and policy developments to ensure that governance, accountability and assurance remain clear, lawful and effective

13.5 The Commissioner's officers (under the leadership of the Chief Operating Officer) will continue to work closely with the Chief Constable, Chief Officer Team and wider Constabulary to scrutinise and have oversight of the challenges facing the Force as laid out in the Chief Constable's own Annual Governance Statement. Officers either attend or are represented at key governance boards and meetings within the Force and are regularly consulted with as work progresses.

14 CONCLUSION

14.1 During 2025/26 the internal and external auditors continued to work with the organisation and have provided both opportunities and challenges. The Commissioner welcomes the challenge and the support proved by our auditors; we will continue to meet the financial, economic and governance challenges of ensuring there is an efficient and effective policing service in Derbyshire.

14.2 This Annual Governance Statement demonstrates that a sound governance framework exists in Derbyshire and is subject to regular review. Where significant governance or control issues are identified, actions are taken to address them. Whilst no issues have been identified by the Police and Crime Commissioner in 2025/26 (beyond those identified by internal audit), the Chief Constable's own action plan is referred to and is kept under review as part of holding the Chief Constable to account.

14.3 Funding challenges continue for the police service at a national level and that is no different within Derbyshire. The MTFP is kept under review and regular dialogue held with the Chief Constable and the senior officers to ensure that adequate savings plans are put in place (if required) to ensure a balanced budget can be produced for 2027/28 and beyond.

Further Information:

- Regional AGS 2025/26 (included below)

Police and Crime Commissioner for Derbyshire

Annual Governance Statement 2025/26

Nicole Ndiweni

Police and Crime Commissioner for Derbyshire
Date:

Andrew Dale

Chief Operating Officer & Section 151 Officer
Office of the Police and Crime Commissioner for Derbyshire
Date:

East Midlands Special Operations Unit

ANNUAL GOVERNANCE STATEMENT
FOR REGIONAL COLLABORATION 2025/26

I confirm that the relevant controls and procedures are in place to manage the following issues within the East Midlands Special Operations Unit, which includes the Regional Organised Crime Unit, Major Crime, Forensic Services, Counter Terrorism Policing East Midlands, and Legal Services.

1. The monitoring processes by which performance against operational, financial and other strategic plans are considered and key issues identified and tasked.

ACC (East Midlands) monitors performance. Exceptions are reported to the East Midlands Police & Crime Commissioners and Chief Constables' (EMPCC/CC) Board on a quarterly basis, with full performance reports reported twice a year.

2. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

Compliance is monitored by management review and supported by specialist professional advice where appropriate. Where areas for improvement are identified these are subject to action plans that are revisited to ensure that they have been attended to. Internal Thematic inspections and external audits form part of the monitoring controls to ensure compliance with appropriate policies and regulations and demonstrate the effective and efficient use of resources.

3. That the appropriate controls are in place for the management of all resources deployed within Regional collaboration

A management structure is in place, with clear lines of accountability for both operational issues and use of resources. A budget is approved each year at the EMPCC/CC's Board which defines the expenditure targets for each area of policing within EMSOU. Each force actively supports the budget allocation and sets its own precept accordingly.

Management reports showing costs against budget are provided monthly. Unexpected variances are investigated and explained, ready for reporting to quarterly Management Boards and the EMPCC/CC's Board. Quarterly monitoring reports are shared across the region to provide each force with visibility over expenditure to date and projected outturn position.

4. Incorporating good governance arrangements in respect of partnerships.

The EMPCC/CC's Board provides a forum for all members of collaboration to feedback their experiences of the partnership work. All forces can discuss governance, performance and financial issues at the quarterly meetings. The collaboration builds on best practice from across the country and the region to improve performance as well as saving money.

Performance is reported internally to the Performance Management Group and to the 5 EM forces through the Regional Management Board and Joint PCC/CC's Board

5. Risk Management

A Risk Management policy and process is in place to support the effective management of risk and to ensure risks are gathered and reported on in a consistent manner. A risk moderation panel is in place to review changes in risk, mitigation and consistency in scoring of risks.

The Risk Management policy is reviewed and updated annually.

Risks are reviewed internally by EMSOU Command and where required escalated through the Regional Risk & Assurance Board, Regional Management Board, Regional DCC's Board and the Joint PCC/CC's Board.

5/5/2026.

Signed **Date**

Ian Green
ACC (East Midlands)

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.

Capital Receipts
Proceeds from the sale of an asset which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules set by Central Government.

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 by the Commissioner 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 to the Commissioner for work done or services supplied but not received at the end of the financial year.

Deferred Liabilities
Liabilities which by arrangement are payable beyond the next year at some point in the future or paid off by an annual sum over a period of time.

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.

Financial Instruments
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset – Cash, equity instrument of another entity or a contractual right to receive cash or the right to exchange a financial instrument with another entity on potentially favourable terms. For example bank deposits, loans receivable, trade receivables and investments.

Financial Liability – a contractual obligation to deliver cash or another financial asset to another entity or to exchange a financial instrument with another entity on potentially unfavourable terms. For example trade payables, borrowings and financial guarantees.

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.

Minimum Revenue Provision
The minimum amount which must be charged to the revenue account each year and set aside for provision for credit liabilities.

Net Book Value
The amount at which Property, 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 Comprehensive Income and Expenditure 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.

Precept
The method by which the Commissioner obtains the income it requires from council tax via the appropriate authorities.

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.

Prudential code
The Code developed by CIPFA that sets out a framework for self-regulation of capital spending, in effect allowing authorities to invest in capital projects which best meet their service delivery objectives as long as they are affordable, prudent and sustainable. The code came into force from 1 April 2004 and is incorporated into the Local Government Act 2003 and associated regulations.

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

Reserves
Earmarked reserves are amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. General reserves are accumulated balances generally available to support revenue or capital spending.

Revaluation Reserve
This reserve records the net gain (if any) from revaluations made after 1 April 2007.

Revenue Expenditure funded from Capital by Statute
Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of fixed assets, for example, expenditure on property not owned by the Commissioner.