Chief Constable of Warwickshire Police

Statement of Accounts 2024/25

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Contents

Table of Disclosure Notes

Narrative Report

Message from Alex Franklin-Smith, Chief Constable of Warwickshire Police

“As a county force, Warwickshire faces challenges in balancing urban and rural demands, whilst addressing local crime trends and fostering strong relations across all communities. Against this backdrop, total recorded crime for 2024-25 in Warwickshire remained stable compared to the previous year, against a projected 2% increase.

Crime patterns show reductions in violent crime as well as some theft offences, business burglary, criminal damage and arson. We did see increases in some recorded crimes linked to proactive operational activity in areas such as shoplifting and drug-related offences. We also saw an increase in some sexual offences, principally driven by the introduction of new offences around sextortion, whilst our positive outcome rates continued to improve.

Policing is about more than just upholding the law, it is also a promise to protect the vulnerable and allow communities to feel safe, heard and respected. Right across the organisation, amongst our officers, staff and volunteers, it is clear to see the dedication and commitment to serving our communities and delivering policing in a manner that is uniquely connected to this county. Our ambition is for the public to be proud of and connected to our police force, so adapting to the digital needs and desires of our communities with public contact improvements and dedicated communication channel strategies is key.

Technology advances have continued to be the theme of the last year, as we make best use of the technology available to us, while looking at new ways to streamline operational processes, ultimately giving our officers and staff more time to focus on preventing harm, engaging with communities and ensuring that everyone – regardless of their circumstance – feels protected by, and represented within, our service.

We have led the way nationally, being the first force to deploy Apple iPhones and our Nexus Power App, which has not only enabled our officers to capture data in relation to stop searches, vehicle stops, use of force, officer assaults, and digital pocket notebook entries while on the go, but has also inspired other forces to transform their frontline operations.

We expanded our suite of Axon products and applications, bringing enhanced functionality and time savings, and building on an internal cultural shift in making the most of Microsoft 365 capabilities, we’ve successfully rolled out new internal channels: a SharePoint intranet and Viva Engage. Next year will see us maximise our use of Teams functionality and replace 90% of our desk phones, improving our digital connectivity, and we’re halfway through our upgrade of over 1,400 airwave radio handsets.

We have seen significant improvements in our investigations outcome rates, with targeted resources aimed at supporting frontline officers with managing their caseloads, and our custody teams have achieved national recognition (and awards!) for the outstanding work they do. Across the force, we have seen huge success from our investment in first and middle line leaders, setting the bar as best practice for the College of Policing and we’ve been working to embed the People Plan and Health and Wellbeing focus across the force, which were introduced in 23-24.

This has been a transformative year for the force with changes in leadership, strategy and direction, culminating in plans to refresh our force ambition, mission and values.

Since being appointed Chief Constable, I have been working hard to understand the views of our people, our partners and our public in the context of this fast-paced change. My intention, shared by the wider leadership team, is to become an organisation that is known for policing excellence. Many of the foundations that will enable this to happen have been built in recent times and I firmly believe this ambition can be realised over the course of the next four years."

Introduction

This narrative report explains the structures and governance arrangements of the PCC and Chief Constable as well as a summary of financial and non-financial performance of Warwickshire Police during 2024/25. The PCC and the Chief Constable form an accounting group for reporting purposes. This set of Accounts includes the Statements for the Chief Constable as a single entity set of Accounts. The PCC and Group Accounts are published in a separate document.

The style and format of the Accounts complies with the CIPFA Code of Practice, and it is similar to that of previous years and contains the following sections:

1. Strategy and Structure including an explanation of the PCC and Group
2. Force governance
3. Our workforce
4. Financial performance
5. Force non-financial performance
6. Corporate risks, horizon scanning and financial sustainability
7. Conclusion and acknowledgements

The policing landscape continues to be increasingly complex and challenging, and 2024/25 has been no exception. 2024/25 was a transitional year for Warwickshire Police, with the PCC appointing a new Chief Constable, following the retirement of the previous Chief Constable. Notwithstanding the leadership change, Warwickshire Police has continued to transform through ongoing investment in officer recruitment, technology and crime prevention initiatives. Officer numbers reached 1,122 at each of the two monitoring points in September 2024 and March 2025, thus securing the uplift grant available in 2024/25. This investment has helped to ensure that the force is well equipped to tackle crime and keep communities safe, but the need to drive out and secure further efficiencies in all areas of operational policing requires the force to continue to use technology and deploy resources efficiently and effectively into the future. Trust and Confidence in police officers remains high on the agenda following events of recent years. Media coverage has continued to focus on efforts to remove officers nationally and locally who are not fit to serve, and the PCC is keen to support the Chief Constable in these endeavours in Warwickshire.

In a wider context, the economic climate has continued to be uncertain throughout 2024/25, inflation has reduced over the last 12 months, but pay inflation remains high and many of the cost of living challenges remain. The new Government have inherited a challenging fiscal environment, with limited resources for the promised and much needed improvements in public services, including policing. Economic growth in the UK has been sluggish and is not expected to increase more significantly until 2026/27, which will further hinder the ability to invest in public services. Internationally, the US has elected President Trump whose policies and announcements are having an impact on economies and international affairs across the globe, yet the conflicts in Ukraine, and Gaza continue, with economic fallout and increased tensions being felt locally, nationally and internationally.

A huge amount of activity has taken place across the year to improve the efficiency and effectiveness of policing in Warwickshire, to ensure that the force has a sustainable financial future, communities are protected from crime and the most serious of harms, with strong support in place to help victims cope and recover. This has been achieved not only by the PCC working closely with the Chief Constable, but also their strong partnership working and relationships, with other organisations nationally, regionally and locally.

1. Strategy & Structure

The PCC and the Chief Constable are established as separate legal entities. The Policing Protocol Order 2011 is issued in accordance with the requirements of the Police Reform and Social Responsibility Act 2011, the legislation that enabled the creation of the role of PCCs in 2012. The Protocol sets out to all PCCs, Chief Constables, and Police and Crime Panels how their functions are exercised in relation to each other and clarifies the Home Secretary's role, responsibilities, and powers. The Protocol includes the legal powers and duties of PCCs, including:

- Scrutinise, support, and challenge the overall performance of the force, including against the priorities agreed within the Police and Crime Plan.
- Hold to account the Chief Constable for the performance of the force's officers and staff.
- Maintain an efficient and effective police force for the policing area.
- Hold the Chief Constable to account for the exercise of the functions of the office of Chief Constable, and the functions of the persons under the direction and control of the Chief Constable.
- Publish information specified by the Secretary of State and information that the PCC considers necessary to enable the people who live in the force area to assess the performance of the PCC and Chief Constable; and
- Monitor all complaints made against officers and staff, whilst having responsibility for complaints against the Chief Constable.

Of note in the Protocol is that the Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, their officers, and staff remain operationally independent in the service of the communities that they serve. These Chief Constable accounts focus on activities in relation to the operational policing under the direction and control of the Chief Constable and explain how the resources provided by the PCC have been used to deliver these policing services across Warwickshire. There is only limited reference to the wider group responsibilities and performance. The original net revenue budget for 2024/25 was £132.515m, with £3.344m (net) being under the direct control of the PCC and the remainder delegated to the Chief Constable to deliver operational policing activity.

As the elected representative of the county's residents, the PCC has a mandate to oversee and direct how crime and community safety is addressed in the county, in addition to setting the strategic priorities for Warwickshire Police to create a safer, more secure Warwickshire by holding the Chief Constable to account for the force's delivery of its operational policing and public protection responsibilities. The PCC is the custodian of the public finances available for Warwickshire Police and for the commissioning of services to address crime and its impact in the county. The Chief Constable, supported by his Deputy, and two Assistant Chief Constables is responsible for delivering operational policing in line with the priorities set out in the PCC's Police and Crime Plan which sets out key ambitions for policing, criminal justice, and community safety through to 2025.

The PCC takes a multi-year approach to financial planning, considering the budget year and the subsequent four years, and over 97% of the budget is allocated to the Chief Constable to deliver operational policing in Warwickshire. The Medium Term Financial Plan (MTFP), Capital Strategy, Reserves Strategy and Treasury Management Strategy are updated annually during the budget setting process and are finalised and published separately each financial year. These strategies represent the PCC's overriding financial strategy and they underpin the Police and Crime Plan priorities to deliver a financially sustainable policing service in Warwickshire that is efficient and effective and provides good value for money.

The five priorities of the Police and Crime Plan are:

1. Fight crime and reduce reoffending
2. Deliver visible and effective policing
3. Keep people safe and reduce harm
4. Strengthen Communities
5. Deliver better justice for all

The plan is summarised in the table shown below, with the three areas of focus for each priority used to direct activity, but it can be viewed in full at www.warwickshire-pcc.gov.uk/police-and-crime-plan/

However, it should be noted that 2024-25 represented a transitional year, with a new Police and Crime Plan 2025-2029 being developed following the PCC's re-election in May 2024. The Police and Crime Plan 2025-2029 was implemented at the end of February 2025, and the Chief Constable will be delivering on the priorities set out in the new Police and Crime Plan from this point onwards.

Performance against the priorities identified in the Police and Crime Plan is monitored through a framework and this is reported regularly to the Police and Crime Panel, and in the PCC's Annual Report. The accomplishment of these objectives will be through continued effective partnership working at all levels, not just with the force as its key partner, but also by working closely with local authorities and community safety partnerships (CSPs), other key local, regional and national stakeholders and partnerships.

Diagram 1 – Police and Crime Plan on a page

2. Force Governance

The Chief Constable, like the PCC, is responsible for ensuring his business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. He has legislative responsibilities to make arrangements to secure continuous improvement and value for money in the way functions are exercised, having regard to a combination of economy – spending less, efficiency – spending well, effectiveness – spending wisely and also equity – spending fairly.

In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of 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. In exercising this responsibility, the PCC and Chief Constable have approved a Joint Corporate Governance Framework, includes separate detailed finance and contract regulations, and the approved scheme of delegation. These documents are reviewed annually and the views of various stakeholders sought to ensure that the documents are relevant and appropriate and are also produced in an easy to understand format. The documents are accessible through the PCC’s website.

The Annual Governance Statement (AGS) which accompanies the Statement of Accounts is a regulatory requirement and is presented in Warwickshire as a joint document for the PCC and Chief Constable. Each entity is responsible for ensuring all business is conducted in accordance with the law and proper standards, and that the public money allocated to them is safeguarded, properly accounted for, and used economically, efficiently, and effectively. In order to discharge this responsibility, they must each put in place proper arrangements for governance, including arrangements for managing risk. The statement provides a detailed explanation of the PCC and force governance framework and explanation of how they have complied with that framework over the last twelve months. The AGS outlines a number of governance issues that require addressing in 2024/25 and should be read alongside this document.

A key element of the governance arrangements is the Joint Audit and Standards Committee (JASC) who serve the PCC and Chief Constable. The Committee generally meets on a quarterly basis and receives various reports on performance monitoring, internal and external audit, financial monitoring, strategies and policies, risk management and strategic risk registers and other general governance, standards, and financial issues. The Committee has agreed terms of reference and provides scrutiny and challenge to provide some assurance to the PCC and Chief Constable on these matters.

Whilst the PCP do not have a direct relationship with the Chief Constable, previous Chief Constables have chosen to attend an annual meeting to provide members of the panel with an overview of policing in the county along with an update on current and forthcoming issues. The Chief Constable may wish to consider taking a similar approach. The PCP does have statutory responsibilities and further details on their role are available on the PCC website, and in the group narrative report.

To fulfil the PCC's responsibilities to 'hold to account' the Chief Constable for the performance of Warwickshire Police, the PCC chairs a formal monthly 'Governance and Scrutiny Board' (GSB) meeting with the Chief Constable. The purpose of the GSB is to seek answers to a variety of questions on a specific area of business, and to discuss a range of issues including finance, estates and workforce planning. The meeting is also attended by senior officers and staff from the force and the Office of the Police and Crime Commissioner (OPCC). The minutes of the meetings are published on the PCCs website. The PCC also holds weekly meetings with the Chief Constable during the intervening weeks covering a variety of topics and subject areas. Senior Officers from the force and the OPCC meet regularly, and OPCC representatives attend a number of force governance meetings and feed back to the PCC, which in turns provides details for further holding to account.

The Chief Constable has continued to pursue the Force's 'Fit for the Future' Strategy which set out an ambitious agenda for the force up to 2025. However, the new Chief Constable is refreshing the forces vision and values and these will be fully implemented during 2025/26. The main aims of the existing strategy are depicted below, which sets out the values and code of ethics, which support the vision to protect people from harm, along with the Chief Constables strategic policing priorities. These contribute to the delivery of the overarching priorities set out in the Police and Crime Plan.

Diagram 2.

3. Our workforce

Health and wellbeing continues to be at the heart of the vision and values at Warwickshire Police, it is integral to the success of the Police and Crime Plan, and it is essential that its importance is recognised. Investment in learning and development and staff wellbeing services has occurred in recent years, which should help to drive out more efficient and productive working, as well as addressing a variety of health and wellbeing issues.

The uplift in the number of police officers, over the last four years, has been made possible by the PCC's investment as well as using the government funding under the Police Uplift Programme (PUP). At the end of March 2025, the force exceeded the 1,122 uplift target and achieved a PUP headcount of 1,136. The PCC has also made a significant investment in officer numbers through the precept increase, starting in 2019/20 with 65 officers and a further 10 officers in 2023/24. This approach has been fundamental to improving police visibility and to meet key priorities in the Police and Crime Plan.

The PCC is keen to see PCSO numbers increase, in recognition of the invaluable work that they carry out, to support policing in Warwickshire, particularly in Safer Neighbourhood Teams. Numbers have been broadly stable during 2024/25, but further increases are planned which have been made possible through the government's new neighbourhood policing guarantee funding, which will see the recruitment of 10 additional PCSO's in early April 2025.

A number of active volunteers also form part of the Warwickshire compliment of staffing, particularly Special Officers but also more widely across the organisation. Their role and activities are much valued, and supplement the work of officers and staff, whilst also providing an independent voice on certain issues.

An analysis of staffing levels across the organisation is shown at table 1, including a gender breakdown of the workforce employed by Warwickshire police at the end of 2024/25 across the different sectors.

Table 1. Workforce Gender Analysis

	Male	Female	Total	Male %	Female %
Police Officers	722	414	1,136	63.56%	36.44%
Police Staff (including PCSO's)	308	629	937	32.87%	67.13%
Specials	48	11	59	81.36%	18.64%
Total	**1,078**	**1,054**	**2,132**	**50.56%**	**49.43%**

Whilst the increase in officer numbers is welcome in the short-term, front line operational resilience remains a challenge due to the relative inexperience of many officers who are new to policing. This is inevitable during a period of high recruitment and is being seen in forces across the country.

Under representation of Black and Minority Ethnic (BAME) people in police forces in England and Wales continues and has been the subject of previous Home Affairs Committee reports. Warwickshire has been taking action where possible to promote policing as a career to all minority ethnic groups and to increase the diversity of the force so that it better represents the local community. The promotion of diversity is increasingly possible during a period of heightened recruitment, and this remains a focus for the PCC and Chief Constable.

Table 2 shows the breakdown across the various staffing groups of BAME employees in Warwickshire. Whilst there is some fluctuation across the groupings, on average 6.7% of Warwickshire Police employees are from BAME communities at the end of 2024/25. This is slightly higher than levels at the end of 2023/24. The force supported by the PCC continues to work hard to improve the diversity of its workforce and will aim to make further improvements in this area through future recruitment programmes.

Table 2. Workforce Ethnicity Analysis

	Total	BAME	BAME %
Police Officers	1,136	62	5.46%
Police Staff (including PCSO's)	937	78	8.32%
Specials	59	3	5.08%
Total	**2,132**	**143**	**6.71%**

4. Financial Performance

Throughout 2024/25 the impact of international events including the ongoing war in Ukraine, and the conflict in Gaza, along with a range of other international and domestic economic uncertainties has created a challenging economic backdrop within which the force is operating.

Policing activity in Warwickshire is funded through the precept and central government grants. Details regarding the level of core funding and on the precept flexibility for the forthcoming year are confirmed through the police funding settlement. For 2024/25, this announcement was made on the 31 January 2024, covering a one year period only. The overall funding package announced in the settlement provided additional national funding of up to £1,297m, assuming over £300m coming from council tax if all PCC's maximised their precept flexibility of £13, on a band D property. The local impact of the settlement provided increased central funding for Warwickshire of £8.651m or 6.6%, which included the ringfenced uplift grant and a substantial increase in pensions grant to meet the additional costs of the employers officer pension contribution rates.

As part of the budget the PCC approved the decision to increase precept by £13 or 4.7% in 2024/25, increasing the total band D police precept charge from £276.71 to £289.71 per annum, in recognition of the challenging economic environment that the Chief Constable was operating in. The total tax base is used to calculate the precept that will be collected by billing authorities on behalf of the PCC. For 2024/25 this increased by 1.65% to 222,915.67 band D equivalent properties.

The core funding levels for 2024/25 are set out in table 3 below:

Table 3. Funding 2024/25

Where the Money Came From	Budget £m	Actual £m	Variation £m	%
Central Government Funding	67.988	67.988	0.000	51.30
Locally Raised Funding – Precept (Council Tax)	64.527	64.527	0.000	48.70
Total Funding (excluding reserves)	**132.515**	**132.515**	**0.000**	**100.0**

The PCC is responsible for setting the total annual budget within which the Chief Constable is expected to operate, and against which financial performance is measured. The Chief Constable's only source of income is through the intra-group transfer, where the PCC reimburses the Chief Constable for the cost of day to day policing up to the agreed budget.

Table 4 shows the financial performance of both the PCC and the Chief Constable by comparing the revised budget to the actual for 2024/25. This integrates with the information contained in the Comprehensive Income and Expenditure Statement, where the distinction between the PCC and the Chief Constable follows the governance arrangements of the two entities, whereas Table 4 presents information in the format used to manage the budget.

Table 4. Warwickshire PCC and Chief Constable Outturn for year ended 31 March 2025

	Budget £m	Budget Adjustments £m	Revised Budget £m	Actual £m	Variance £m
Chief Constable					
Police officers' pay	71.913	0.725	72.638	71.810	(0.828)
Police officers' overtime	2.146	0.798	2.944	3.920	0.976
Police staff pay	30.970	0.813	31.783	31.610	(0.173)
Police staff overtime	0.273	0.014	0.287	0.303	0.016
PCSO pay	3.079	0.382	3.461	3.006	(0.455)
Police pensions	1.664	0.100	1.764	2.544	0.780
Other employee expenses	0.939	0.038	0.977	1.462	0.485
Premises	3.976	(0.064)	3.912	3.914	0.002
Transport	2.862	0.050	2.912	2.883	(0.029)
Supplies & services	14.705	0.007	14.712	12.954	(1.758)
Third party payments	9.840	0.031	9.871	10.305	0.434
Capital financing	7.537	0.193	7.730	8.190	0.460
Expenditure	**149.904**	**3.087**	**152.991**	**152.901**	**(0.090)**
Income	(14.859)	(2.453)	(17.312)	(17.366)	(0.054)
Vetting Income					
Expenditure	3.772	0.232	4.004	4.377	0.373
Income	(7.541)	(0.732)	(8.273)	(8.526)	(0.253)
Total Vetting Unit	**(3.769)**	**(0.500)**	**(4.269)**	**(4.149)**	**0.120**
Total Chief Constable	131.276	0.134	131.410	131.386	(0.024)

Police & Crime Commissioner					
Office of the PCC	1.598	0.025	1.623	1.602	(0.021)
ASB Hotspot Expenditure	1.000	(0.914)	0.086	0.075	(0.011)
Road Safety Initiatives	0.100	0.000	0.100	0.076	(0.024)
Commissioner's Grant scheme	1.692	(0.096)	1.596	1.564	(0.032)
Total PCC	**3.334**	**(0.093)**	**3.241**	**3.147**	**(0.094)**
Net PCC & Chief Constable	**134.610**	**0.041**	**134.651**	**134.533**	**(0.118)**
Warwickshire Road Safety Unit					
Expenditure	3.460	(0.016)	3.444	3.320	(0.124)
Income	(4.926)	0.000	(4.926)	(4.459)	0.467
Total Road Safety Unit	**(1.466)**	**(0.016)**	**(1.482)**	**(1.139)**	**0.343**
Total	**133.144**	**0.025**	**133.169**	**133.394**	**0.225**
Budget Contribution to / (from) Reserves	**0.629**	**0.025**	**0.654**	**0.879**	**0.225**

Budget Contribution to/(from) Reserves	**Budget £m**	**Budget Adjustments £m**	**Revised Budget £m**	**Actual £m**	**Variance £m**
Budget	0.000	0.000	0.000	0.129	0.129
Investment in Infrastructure	0.000	0.000	0.000	0.500	0.500
Operational reserve	0.500	0.000	0.500	0.000	(0.500)
Pensions and redundancy reserve	0.000	0.000	0.000	(0.480)	(0.480)
Pay reserve	(1.129)	0.000	(1.129)	(0.378)	0.651
Income	0.000	0.000	0.000	(0.250)	(0.250)
PCC reserve	0.000	0.000	0.000	0.042	0.042
Safer Roads reserve	(0.100)	(0.025)	(0.125)	(0.442)	(0.317)
Net Transfer to Reserves	**(0.629)**	**(0.025)**	**(0.654)**	**(0.879)**	**(0.225)**

Table 4 outlines the 2024/25 outturn position for the PCC and Chief Constable which can be summarised as, net expenditure, after income, totalled £133.394m, being £0.225m more than the £133.169m of available funding, which consisted of Government grant, precept and approved reserve transfers.

The £0.225m overspend is attributable to £2.7m of unanticipated one-off and ongoing overspends across a range of items, most notably police overtime, police pensions (ill health and injury), employee expenses and third party payments. A further £0.3m relates to a shortfall on the Warwickshire Road Safety Unit and £0.4m attributable to a deliberate contribution to finance the airwave radios purchased as part of the capital programme.

The overspends are offset by a £1.5m underspend across the pay budgets and £1.7m on supplies and services, which mainly relates to IT and Digital Services. Further detail on the specific variations and year end position are available in the year end monitoring report.

Over the last eighteen months a number of issues have been highlighted regarding the changing workforce demographic. Assumptions underpinning the budget, including retirements, resignations and pension opt out rates have become increasingly difficult to predict post the Police Uplift programme (PUP) which saw a growth in the number of officers and greater diversification of the workforce. This includes for example a greater proportion of the workforce with under 5 years' service and a higher proportion of younger officers. Much of the police pay underspend is linked with an increased pension opt out of newer recruits and also higher than anticipated resignations of officers with below 5 years' service.

The recruitment and retention of PCSOs remained challenging during 2024/25 and resulted in an underspend of £0.455m. Increased focus on recruiting PCSO's in 2025/26 will occur as part of the neighbourhood policing guarantee, when the PCSO establishment is expected to increase.

Another significant underspend in 2024/25 relates to supplies and services, which includes a diverse range of goods and services and is the largest budget outside of pay. Much of this was due to digital service underspends, including the paused emergency services network project and on software licenses, but the supplies and services underspend also includes lower spend on uniforms, custody and healthcare provision.

After adjusting for income funded police overtime, this budget remained £0.975m overspent at year end. This is despite the PCC increasing the budgetary provision for police overtime in 2024/25 by £0.250m. The overspend relates to incidents, investigations, backfilling of vacancies, and a pilot operation to respond more effectively to increased demand and improving outcomes. It is accepted that overtime will always be a feature of a police service, but the PCC is committed to holding the Chief Constable to account for ensuring that overtime is appropriate, deployed effectively and remains within budget. The fact remains that overtime is a short-term immediate risk which must be managed as the force's ability, including the use of reserves, to deal with continued and significant fluctuations in day-to-day expenditure is reduced given the planned reduction in reserves over recent years. It is also recognised that excessive overtime can also have a detrimental effect on a person's health and wellbeing. Therefore, a realistic budget, an appropriate control framework backed up by accountability and robust management information as well as an effective overtime system is required to ensure the risk of routine overspend is mitigated and that a good and balanced budget can be delivered. As a result, the Deputy Chief Constable has reviewed the arrangements for overtime, and changes will be implemented in 2025/26 to address both custom and practise (culture) with a view to bringing further rigour and control to the use of overtime by the force.

The outturn table also shows a £0.780m overspend on Police Pensions, which relates to one-off statutory payments into the Police Pension Fund Account for medical retirements, injury gratuities and annual injury pensions and HMRC scheme sanction charges. At the end of 2023/24 £0.230m was set aside in the Pension and Redundancy Reserve for those medical retirements that were in process but not concluded in that year, so £0.230m plus a further £0.250m has been transferred from the Pension & Redundancy Reserve in 2024/25 to meet the overspend in part. Medical retirements and injury pensions continue be higher than three years ago and this has been addressed as part of the 2025/26 budget.

Other employee expenses is £0.485m overspent, of which £0.247m relates to redundancy payments and Local Government Pension Scheme (LGPS) strain, which is the cost of releasing the unreduced pension early for those people over the age of 55. The remaining overspend is due primarily to Tier 1 priority external training for officers.

The £0.434m overspend on third party charges, includes higher costs than budget for Home Office charges for digital services, Regional Organised Crime Unit (ROCU), National Ballistic Intelligence Service and the National Police Air Support Service. The overspend is marginally offset by variations on the Regional ESN Team, Defford storage and dog kennelling provided by West Midlands Police. The 2025/26 budget has been adjusted accordingly for ongoing and unavoidable increases and decreases in cost.

Capital financing includes the ongoing cost of borrowing, referred to as Minimum Revenue Provision (MRP) and interest. It also provides a sustainable source of revenue funding to the capital programme, through direct revenue financing (DRF), to fund short life assets. This ensures borrowing is affordable, sustainable and linked to long life assets.

Income is marginally more than the budget, and has proved difficult to estimate in 2024/25, in a variety of areas, including abnormal loads for HS2 construction work (although improved towards the end of the year, it still fell short of budgetary expectations) and the Proceeds of Crime Act 2002 (POCA). Towards the end of the year, the Home Office also confirmed that they would fund 100% of the policing costs of the violent disorder which followed the Southport attacks, along with various other increases in income, including higher interest on balances and a reduction in the bad debt provision due to the successful work undertaken by the income teams who have helped to achieve historically low levels of debt. Despite these areas of improved income, mutual aid performed less well and a draw down from the income reserve of £0.250m was undertaken at year end to offset this shortfall.

In recent years there has been a significant amount of unanticipated and volatile income, including specific grants, which has made it challenging to set an accurate budget and assess the likely income over the life of the MTFP. Being able to accurately estimate ad-hoc income allows the PCC and Chief Constable to make better decisions and take advantage of the opportunity that one-off income can afford as well as protecting reserves. This remains a feature and risk of the 2025/26 Budget & MTFP, and is especially important when considering savings options.

The Vetting service is now very much established and in the process of increasing the number of vets processed from circa 22,000 to 28,000 p.a. This is being seen in the increased income which has supported the £0.500m transfer between the vetting service and capital financing budget, and provides further support to the capital programme, offsetting the need to borrow. However, vetting has recorded a £0.120m shortfall in 2024/25 due to additional expenditure, which includes a £0.053m one-off DRF for an upgrade to the CoreVet system, laptops and iPhones. The remainder is largely related to pay and can be attributed to the pay award being higher than provided for in the budget.

The delays in HS2 construction have had a knock-on effect on the financial performance of the road safety unit, which is showing a £0.343m shortfall, due to lower than anticipated income related to the delay in commissioning highways cameras. However, the impact of deploying three new vans to improve road safety across the county, the nationally agreed price increase for road safety courses and further application of robotics is yet to be seen, and the team are confident that the road safety unit outturn position will be in line with the budget in 2025/26.

Whilst the force has a good record in delivering savings, with £4.7m being removed on 01 April 2021 (2021/22), a further £0.9m on 01 April 2023 (2023/24), £1.200m in 2024/25 and a further £2.200m due in 2025/26 it is difficult to escape the requirement to make savings in future years. The MTFP identifies a further £2.500m gap between core funding and operating expenditure over the next three years from 2026/27onwards and work is being undertaken to consider how these can be achieved, with minimal disruption to front line services. It is anticipated that they will be bridged by a range of measures including from greater efficiency following the investment in ICT/DS, automation, procurement and collaboration which will improve productivity and performance. These savings will be identified in phases, over the next three years, under the governance of the Deputy Chief Constable supported by the Chief Constable and PCC.

There is acceptance that there is always a need to drive greater productivity and efficiency, which in turn creates opportunities to deliver better value for money and more policing from existing resources, however, political and economic uncertainty remains a challenge. Whilst much work has been undertaken on workforce planning, to better understand the financial challenges that the workforce profiles will bring over the medium and longer term, costs, especially those related to pay, are increasing and as such the perennial savings requirement will not only rely on the availability of funding but will also require the force to self-finance future business growth (capacity) by being innovative and increasing productivity and capability.

Table 5 shows a summary of the 2024/25 capital programme budget, actual spend and the future investment plans over the medium term, while table 6 shows how this investment has been funded in 2024/25.

It shows the investment in assets; buildings, ICT/DS, vehicles, and plant & equipment was £9.656m in 2024/25. The expenditure compares to a revised budget of £13.078m, a variation of £3.285m. This includes the Northern and Southern Justice Centres, for which the PCC is the landlord. Due to the age of the buildings, they are entering a phase where capital works will be undertaken to keep them in good order. The capital expenditure on them is funded though the Justice Centre sinking fund, which is supported by partner contributions. The multiagency Justice Centre Board governs the operation of the Justice Centre joint arrangement, and they receive regular financial reports and details to enable joint decision making.

Of the £3.285m underspend on capital in 2024/25, £0.461m of this is attributable to a realisable underspend following the completion of some projects, while £2.825m will be slipped into 2025/26 for the completion of capital works and projects, which are still outstanding at year end.

Table 5. Capital Programme Outturn 2024/25

Programme	2024/25 Revised Budget £m	2024/25 Actual £m	2024/25 Variance £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Estates	4.488	3.479	(1.008)	3.807	3.165	2.000	1.582	1.590
ICT: Hosting and Network	0.500	0.300	(0.200)	0.525	0.100	0.000	0.000	0.000
ICT: Other Specialist Projects	1.948	1.191	(0.756)	0.465	0.275	0.905	0.945	0.000
ICT: Service Improvement	0.752	0.358	(0.394)	0.395	0.714	1.457	1.502	2.757
ICT: Digital Workplace (inc. BAU)	2.117	1.686	(0.431)	1.645	0.755	0.000	0.000	0.000
Vehicles	2.401	2.299	(0.102)	1.206	1.104	1.200	1.630	1.590
Plant and Equipment	0.546	0.342	(0.204)	0.677	0.218	0.218	0.418	0.500
Total Expenditure	**12.752**	**9.656**	**(3.096)**	**8.720**	**6.331**	**5.780**	**6.077**	**6.437**

A more detailed understanding of asset management information now exists, and this continues to inform and provide evidence for the five year capital estates programme of works. The digital services operating model is under a rolling annual review, however more work has and is being undertaken to ascertain the long-term revenue and capital requirements for digital services to ensure that an appropriate financial strategy is in place. The delivery of contemporary applications and investments in technology such as AXON which connects people, devices and applications across the force and beyond are vital to officer productivity and should lead to cashable efficiencies, which are needed to balance the budget over the medium term. The fleet strategy and replacement programme is being developed in more detail and it is anticipated that this will require additional financing over the MTFP to meet net zero targets and to de carbonise the fleet. These challenges will be considered further in 2025/26 and beyond.

The capital programme investment has been funded in 2024/25 as follows:

Table 6. Capital Programme Funding 2024/25

Funding Source	2024/25 Original Budget £m	2024/25 Actual £m	2024/25 Variance £m
Borrowing	5.358	3.479	(1.879)
Capital Receipts	2.475	1.975	(0.500)
Revenue Contribution	2.433	3.645	1.212
Revenue Reserves	0.000	0.186	0.186
Specific Grant	0.000	0.012	0.012
Section 106	0.359	0.359	0.000
Justice Centre sinking fund	0.000	0.137	0.137
Total Funding	**10.625**	**9.793**	**(0.831)**

In 2024/25, the financing shows that the in-year borrowing requirement is £3.479m. This is considerably lower than the original budget agreed by the PCC in February 2024 of £5.358m. This is due in part to the lower total spend on capital but it is also in line with the financial strategy which links borrowing with spending on long life assets, and focuses capital receipts, specific grants, reserves, and Section 106 monies, on investments to shorter life assets to reduce the minimum revenue provision (MRP) charged to the revenue account over the medium term. MRP is the statutory amount that the PCC needs to set aside to repay the principal element of borrowing.

Notwithstanding any plans to increase investment in assets a continuing risk is the impact inflation may have on the buying power of the 'cash limited' Capital Programme. Whilst inflation rates have been lower throughout 2024/25, they remain volatile. This remains a risk as inflation is not routinely provided for in the medium term capital budget. This may constrain the capital programme and/or require a greater commitment from revenue to finance increasing costs and a higher cash limit. The capital programme is assessed annually against the underlying PCC's and Chief Constable's asset strategies as well as for the effect of inflation, the availability of financing, and better informed backlog maintenance programmes.

Reserves

Table 7 sets out the opening balances held on reserves as at 01 April 2024, it also shows the transfers from and to reserves in 2024/25, which includes transfers between reserves and the closing balance on reserves as at 31 March 2025. It also includes forecast closing balances of reserves in the subsequent four years up to 2029/30.

The position on reserves as at 31 March 2025 is slightly more favourable than anticipated, with reserves totalling some £12.390m, based on £1.065m of reserves being used in 2024/25. £0.186m has been utilised to finance the capital programme with the remainder being used for revenue. Between 31 March 2023 and 31 March 2025 reserves have reduced by £2.624m in total, to support both revenue and capital costs. Whilst this reduction has been planned, it is felt that a minimum of £10m of reserves should be held to mitigate risk, so the use of reserves over the medium term will begin to slow, as the MTFP is suggesting that reserves could fall below this level. This will continue to be monitored, and mitigations taken as part of the budget process to ensure that they remain adequate.

Table 7. Reserves

Reserve	Opening Balance 01/04/24 £m	Transfers (from)/to Reserve 2024/25 £m	Closing Balance 31/03/2025 £m	Forecast Closing Balance 2025/26 £m	Forecast Closing Balance 2026/27 £m	Forecast Closing Balance 2027/28 £m	Forecast Closing Balance 2028/29 £m	Forecast Closing Balance 2029/30 £m
General	6.000	0.000	6.000	6.000	6.000	6.000	6.000	6.000
Budget	3.903	(3.221)	0.682	0.656	0.656	0.656	0.656	0.991
Pay	0.750	2.972	3.722	2.464	1.449	0.645	0.134	0.636
Infrastructure	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Pension & Redundancy	0.730	(0.480)	0.250	0.250	0.250	0.250	0.250	0.250
Insurance & Legal	0.500	0.000	0.500	0.500	0.500	0.500	0.500	0.500
Income	0.250	(0.250)	0.000	0.000	0.000	0.000	0.000	0.000
PCC Grants & Initiatives	0.315	0.042	0.357	0.357	0.315	0.315	0.315	0.315
Safer Roads	1.007	(0.628)	0.379	0.279	0.229	0.179	0.179	0.179
Total Reserves	**13.455**	**(1.065)**	**12.390**	**11.006**	**9.899**	**9.045**	**8.534**	**9.371**

The £6.000m General Reserves remains in place and exists to meet significant operational incidents if Home Office Special Grant is not forthcoming for net expenditure over and above the threshold of 1% of core funding and any risks associated with the level of vetting income. If used, the General Reserve would require replenishing over an appropriate period, through other planned reductions in spending.

Earmarked reserves are held to meet one-off costs, revenue and capital and mitigate specific risks in the short-term, such as unanticipated legal costs. Should these risks materialise then reserves may be used to manage the impact of any changes or costs, and reserve levels would reduce accordingly. Reserve levels are reviewed regularly, and where the purpose for which a reserve was held is no longer relevant, be it to manage risk or anticipated cost, the balance will be transferred to another reserve or used to deliver one-off targeted initiatives.

Reserves are forecast to decline further over the life of the MTFP, however, whilst residual reserves are felt to be adequate, avoiding an adverse decline, requires good financial management and prompt action to address overspends where they are forecast. In the short-term, police officer overtime is the most material risk to reserves, whereas the medium term risk is related to police pay and adverse movements in Home Office grant and the referendum principles for the precept, when compared to the assumptions built into the MTFP. Reserves are a limited source of funding for one-off specific issues and once spent they cannot be spent again. The challenge remains to hold appropriate yet not excessive levels of reserves to meet the known one-off items, risks and unforeseen operational events. Further details are included in the Reserves Strategy and 2024/25 budget and MTFP report.

MTFP – 'Looking Ahead'

The Medium Term Financial Plan (MTFP) was fundamentally reviewed as part of the 2025/26 budget setting process. It covers the five year period to 2029/30 and is based on a number of assumptions and known information regarding all items of expenditure and income. It is an important element of the PCCs and Chief Constables financial planning and helps to ensure that the force are resilient and sustainable into the future. Approximately 80% of the annual revenue expenditure relates to pay related costs, for officers and staff, and pay inflation and police officer overtime continues to be a significant cost pressure and risk in the budget and across the medium term.

Much work has been undertaken again in 2024/25 to monitor pay related costs and to understand and develop the work force planning model. Workforce planning has shown a significant reduction in officers leaving with 30 years' service, likely to be due in part to changes in the pension rules, and that the cost of the increased officers recruited over the last couple of years will become increasingly burdensome, as they move through the spinal point ranges over the medium and longer term, and if pay inflation continues to outstrip available funding. However, these additional costs are being partly offset by an increase in pension opt rates and increased resignations of early career officers, and this all creates a challenging picture to forecast.

Throughout 2024/25 there has been a significant reliance on income, and this continues across the MTFP. Income is receivable from a variety of sources, including road safety work and the force upscaling its work as the national lead provider for contractor vetting services. The risks associated with this approach are well understood and are being monitored, through the budget monitoring process. Despite this increase in income the MTFP has identified that a further £2.500m of savings from 2026/27 still need to be identified across the next three years, to bridge the gap between core funding and operating expenditure. The Chief Constable has committed to delivering these savings, in line with the MTFP but this is a significant challenge, and plans are still being developed. The aim of the PCC and Chief Constable remains to deliver a financial strategy and MTFP, which is affordable, sustainable, and resilient, which factors in the risk that the current challenges pose and which in turn supports the delivery of the Police and Crime Plan and effective policing in Warwickshire.

There is no central funding for financing capital expenditure, and whilst the capital strategy is well documented, challenges remain in the medium term to continue the approach towards a sustainable local capital financing model, to reduce our future reliance on borrowing, which carries significant revenue implications. The PCC's capital strategy outlines the approach in more detail, and the intention is to make significant revenue contributions to capital over the MTFP to fund investment in shorter life assets, ICT, vehicles, and plant and equipment, which will ensure borrowing is within prudential limits and the revenue consequences are affordable. This direct revenue financing is in part supported by the increased vetting income.

The PCC increased the precept by a further £14 (4.83%) in 2025/26, which was in line with the maximum precept increase allowable. He did so on the basis that the budget would deliver some key benefits to address his police and crime plan priorities, and which are detailed within the budget report.

The table below shows the approved 2025/26 budget and MTFP up to 2029/30. The MTFP will be reviewed over the summer and beyond in the lead up to the PCC commencing the budget process for 2026/27,

Table 8. Medium Term Financial Plan

	Budget 2025/26 £m	Budget 2026/27 £m	Budget 2027/28 £m	Budget 2028/29 £m	Budget 2029/30 £m
Original Net Budget	**133.144**	**140.802**	**145.183**	**150.058**	**155.110**
Increases in Expenditure:					
Pay, Injury Pensions and ill Health	10.528	4.280	3,722	3.710	3.796
Goods and services	0.242	0.300	0.300	0.300	0.400
Legislation, National & Regional services	0.978	0.558	0.589	0.742	0.790
Business plans	0.364	(0.025)	0.000	0.000	0.000
Abnormal Loads	0.319	0.681	0.000	0.000	0.000
Capital Financing	0.567	0.567	0.781	0.300	0.200
OPCC	0.105	0.000	0.000	0.000	0.000
Reductions in Expenditure:					
Savings	(1.727)	(1.630)	0.000	0.000	0.000
Other efficiency savings	(0.500)	(0.350)	(0.516)	0.000	0.000
Grant Income	(1.796)	0.000	0.000	0.000	0.000
National Contractor Vetting Service	(1.227)	0.000	0.000	0.000	0.000
Warwickshire Road Safety Unit	(0.195)	0.000	0.000	0.000	0.000
Net Budget	**140.802**	**145.183**	**150.058**	**155.110**	**160.296**
Net Funding	(139.427)	(144.324)	(149.463)	(154.753)	(160.196)
Transfer to/(from) Reserves	(1.375)	(0.859)	(0.595)	(0.357)	(0.100)
	(140.802)	**(145.183)**	**(150.058)**	**(155.110)**	**(160.296)**

The most recent MTFP review in February 2025 was based on a number of assumptions, as outlined below:

- Council tax base will grow by an average of 2% each year from 2026/27 to 2029/30, along with a small £0.100m provision for annual collection fund surpluses across the MTFP.
- Central government grant is assumed to increase by 2% over the MTFP.
- The future planning assumption is that precept increases will be £10.00 per annum for a band D property, but these are subject to annual PCC decisions, in line with a variety of factors, including the notified precept

flexibility, budgetary requirements, other funding opportunities, consultation feedback etc.

- Pay inflation is included at 2.8% in 2025/26 and then falls to 2% thereafter to match the grant increase assumption.
- Pay budgets include provision for increments and turnover, which is especially material to police officer pay, given the ranges of some ranks. The turnover factor is expected to be 3%. Changes to officer numbers are reflective of workforce planning estimates.
- Contractual inflation commitments have been provided for where known.
- Provision has also been estimated for increases in costs on national and regional charges in line with historical patterns and the latest information.
- The planned review of the revenue grant funding formula has paused. Therefore, no assumptions about any planned changes or timings of any changes have been built into the MTFP.

The PCC does hold a healthy level of reserves, and the aim is to keep them within the bandwidth of £10-£15m over the life of the MTFP. Whilst the current MTFP suggests that reserves may fall below £10m from 2027 onwards, this position will be closely monitored and mitigations put in place to increase reserve levels, if there is a significant change in risk, or if the position has not improved through future budget setting process or in year spending patterns.

Cash Flow

The PCCs cash flow is monitored daily and is managed in line with wider treasury management functions. Various short term borrowings were taken during the year to cover temporary cash flow shortages. There is a clear upward trend for the need of temporary borrowings at year end which reflects the capital expenditure that is being undertaken each year that is not financed from other sources e.g. revenue or reserves, as well as the repaying of maturities on existing debt. The liability benchmark performance indicator, included in the treasury management strategy, clearly shows the planned reduced debt, as payments are made, but that the underlying need to borrow remains relatively static at circa £30m, based on planned capital spend funded from borrowing. It is inevitable therefore that some longer term external borrowing will need to be taken in the next year or so, and the position is being monitored, and discussed with our treasury management advisors, so that it can be taken in the most optimal manner.

Pension Liabilities

The value of net pension liabilities is shown in the group balance sheet and is split across police officers and police staff, including PCSOs. Further specific details are contained within the summary of the statement of accounts section towards the end of this narrative report. However, in general terms, the police officer pension scheme is an unfunded scheme administered by the Chief Constable. Its status as an unfunded scheme means that there are no assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Both police officers and the employer (i.e. the Chief Constable) make annual contributions which are paid into the Police Pension Fund. In turn, pensions are paid from the Fund to retired officers. The Home Office funds the difference between actual pension payments and pensions income through an annual top-up grant. The employers contribution rate for officers increased to 35.3% from April 2024. This has been

included in the 2024/25 budget, and the increase has been funded in part through increased government grant, announced as part of the financial settlement.
Police staff and PCSOs are eligible to join the Local Government Pension Scheme (LGPS) administered by Warwickshire County Council. This is a funded scheme whereby assets are invested to help fund future liabilities. In 2024/25 the Group paid employer's contributions in addition to contributions paid directly by staff. The most recent valuation of the LGPS is effective from the 1 April 2022, which saw the employer's contribution rate, based on actuarial valuations, increase by 0.3% and fixed for 2023/24 and 2024/25. A lump sum payment of around £0.2m per annum was also agreed to reflect contributions for past service costs, see Note 35 for further information.

Table 9. Pension contribution rates

Financial year	Contribution rate %
2022/23	19.2
2023/24	19.5
2024/25	19.5

The rate of 19.5% for 2024/25 is reflected in the employer contribution rate in these annual accounts.

Treasury Management

The PCC approves a Treasury Management and Investment Strategy before the start of each financial year and receives updates on treasury performance throughout the year. These reports are also scrutinised by the Joint Audit and Standards Committee prior to their approval by the PCC.

As at the 31 March 2025 the PCC had total external borrowings of £19.722m and internal borrowing from cashflow monies of £14.1m. The level of 'debt' is well within the authorised prudential limit for external debt of £40 million as approved by the PCC in the treasury management strategy in March 2024.

Total investments, cash and cash equivalents at 31 March 2025 were £2.509m. These levels are at a point in time and will be affected in the future mostly by the value and use of reserves, the disposal of assets, and the levels of capital investment.

As part of the 2024/25 budget the PCC approved £5.358m of borrowing to fund the planned capital spend, but due to the lower capital outturn, only £3.479m of external borrowing was required (matched to the estates investment), in line with the capital strategy.

5. Police Performance

The PCC holds the Chief Constable to account for the wider performance of the force. In 2024/25 the PCC agreed again with the Chief Constable that there would be no specific performance objectives other than to reduce crime. The Chief Constable monitors a range of indicators across crime categories in pursuit of this objective and performance in achieving this is discussed formally at the monthly governance and scrutiny board meeting. The outputs of these meetings are published on the PCCs website. More general weekly holding to account meetings, give an opportunity for timely discussion of performance and topical matters, and wider discussion around local, regional, and national issues.

Table 10 shows a summary of force performance for 2024/25 against the various categories of crime and compares this to the number of crimes recorded in the previous year. Total recorded crime decreased by 0.5% in 2024/25.

Table 10. Policing performance 2024/25

Crime Category	2023/24 no. of crimes	2024/25 no. of crimes	% change
Total recorded crimes as at 31 March of each year	39,768	39,573	-0.5%
Homicide	7	7	0%
Death or Serious Injury – Unlawful Driving	29	30	3.4%
Violence with injury	4,832	4,801	-0.6%
Violence without injury	5,800	5,597	-3.5%
Stalking and Harassment	4,305	4,004	-7.0%
Rape	505	555	9.9%
Other sexual offences	1,135	1,324	16.7%
Robbery	387	420	8.5%
Residential Burglary (Home)	1,098	1,203	9.6%
Residential Burglary (Unconnected Build)	360	385	6.9%
Burglary – business	772	702	-9.1%
Vehicle offences	4,079	3,977	-2.5%
Theft from person	257	211	-17.9%
Bicycle theft	515	380	-26.2%
Shoplifting	2,967	3,519	18.6%
All other theft offences	3,340	3,014	-9.8%
Criminal damage & Arson	3,439	3,306	-3.9%
Drug offences	1,050	1,173	11.7%
Possession of weapons	658	556	-15.5%
Public order offences	3,216	3,266	1.6%
Miscellaneous crimes against society	1,017	1,143	12.4%

*Please note these figures may differ to equivalent figures quoted elsewhere due to differences in when the data is reported.

The force are key partners of the Warwickshire Road Safety Partnership whose vision is to strive to eliminate fatal and serious casualties on Warwickshire roads, reducing them by 50% by 2030. The Chief Constable is committed to this target, and this has resulted in increased policing activity on road safety in 2024/25, in addition to additional funding being made available by the PCC to the partnership and for road safety more generally in the form of grants to external organisations to help educate and improve safety on our extensive road network.

Satisfaction in policing services is measured generally through the national crime survey (England and Wales). However, victim satisfaction levels are monitored locally and any significant changes or emerging issues are the subject of holding to account.

2024/25 saw the commencement of a number of newly commissioned PCC services to support victims, and vulnerable people. These services included new contracts for the adult SARC support service, jointly commissioned with NHS England. 2024/25 also saw the PCC investing over £840,000 to enhance the services available for the victims of domestic abuse and sexual violence. The force is one of the key referral pathways into these and many of the PCCs other commissioned services, and active engagement between the force, OPCC and commissioned service providers is key to ensuring that the services remain fit for purpose and provide value for money.

The force management statement provides a huge amount of further detail on force performance, including assessments on future demand for the force and the planning activity and resourcing required to address this. It provides information on the track record of the force in responding to the public, dealing with investigations, protecting vulnerable people, managing offenders, managing serious and organised crime, major events and force wide functions including ICT. It should be read in conjunction with this report.

Value for Money

The Chief Constable has a duty to provide efficient and effective policing at an affordable cost. To achieve this there is a joint corporate governance framework in place with the PCC, which includes the financial regulations and contract rules. These documents were comprehensively reviewed for 2024/25, involving a number of stakeholders. This framework provides detail on how the PCC and Chief Constable will exercise their functions in relation to each other and how corporate governance operates for the PCC and Chief Constable of Warwickshire and jointly between them, in a bid to ensure that value for money is derived from all of their activities.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) undertakes independent inspection and assessment of the force's performance in terms of its effectiveness, efficiency, and legitimacy, with the aim of encouraging improvement. They produce reports to allow the public, and peers, to see how forces are performing. Warwickshire Police has undertaken extensive work throughout the year as it has undergone a process of continual assessment by HMICFRS. It is anticipated that its findings and assessment grades will be published in summer 2025.

The Chief Constable also values the work undertaken by external audit each year, regarding their assessment of the arrangements that both the PCC and Chief Constable have in place for achieving value for money from their use of resources. The 2023/24 auditors report was received in February 2025 and is published on the PCCs website. The report concluded that there were no significant weaknesses identified and made one recommendation regarding the timely completion of internal audit recommendations, which has been more actively monitored during 2024/25 and beyond.

Significant investment in ICT has continued through 2024/25, new contracts and supplier contracts combined with the new modern devices and systems are providing for improved efficiency and productivity. Efficiency savings have been generated through this digital service transformation, and more savings are anticipated over the medium term, as productivity improves to meet the projected MTFP budget shortfalls. Ongoing work to embed robotics and further digital technological advances in operational policing through AXON, along with automation to improve processes in vetting services has further helped to improve efficiency and deliver value for money.

A number of collaborations are in place, which help to deliver improved value for money and service benefits. Notably, Warwickshire Police works collaboratively with West Midlands Police for the delivery of forensics services. This service enables the delivery of superior forensic capabilities, at lower cost compared to previous provision and with some significant improvements in service.

Warwickshire also operates other successful collaborations and partnership working evident at the Justice Centres covering various criminal justice service providers in the north and south of the county, regionally in policing, for example through the regional organised crime unit. The arrangements deliver value for money as they provide an opportunity for cost and knowledge sharing, in addition to other advantages from greater economies of scale.

6. Corporate Risks, horizon scanning and future financial sustainability of Warwickshire Police

The Chief Constable has a risk management strategy in place to ensure that the risks facing the force are effectively and appropriately identified, evaluated, reported, and mitigated against. The risk register is reviewed regularly by chief officers, and it is reported to each JASC meeting to provide independent oversight to ensure that risks are being managed effectively. Any emerging issues and changes in risk may also be raised and discussed with the PCC at the Holding to account meeting.

There are a number of planned police reforms that will have varying impacts on Warwickshire Police, over the medium term. The Home Secretary announced in November 2024 that a White paper on wide ranging police reforms including technology, future workforce, leadership and culture and how the policing system will be better able to tackle fast changing crime. Whilst the publication of the White paper is awaited, the Government have set out 4 key areas for reform – neighbourhood policing, police performance, structures and capabilities and crime prevention, some of which is addressed in part through the Crime and Policing Bill that was introduced in February 2025.

The neighbourhood policing guarantee was introduced as part of the Governments flagship policy to recruit 13,000 additional uniformed personnel into policing, in 2025/26, and whilst arrangements and funding has not been shared beyond 2025/26, it sets out what communities can expect from their neighbourhood policing. The guarantee is accompanied with a five year performance framework along 5 key pillars - police back on the beat, community led policing, clear performance standards and professional excellence, a crackdown on anti-social behaviour and safer town centres, which will be monitored. The programme is due to be funded from other police efficiencies and collaboration programmes. In 2025/26 Warwickshire is increasing its headcount by 8 officers and 10 PCSO’s on the basis of the funding under the neighbourhood policing guarantee.

The neighbourhood policing guarantee will form part of the police performance framework, overseen by the Home Office which will see a single performance framework for policing to give a consistent picture of performance, identify trends, drive-up performance standards and improve data quality across forces in England and Wales. Further information on these requirements is due later in 2025.

Further announcements on dealing with VAWG which include a new national centre were announced in September 2024, and Ronans Law which introduces a number of measures to better deal with the sale of knives in a bid to reduce knife crime incidents will also have a bearing on crime in Warwickshire.

The impact of local government reform and devolution and any resulting effects on policing are yet to be fully understood, but strong working relationships are in place across Warwickshire police which will help to ensure that any changes will be worked through with minimal disruption to services wherever possible.

To ensure that Warwickshire Police is able to react to changes, it makes assessments regarding future demand based on a number of different methodologies including, statistical projections, comparison against 3-year averages, reflections on the previous year and discussion with partners and other subject matter experts, so that they are better able to react to demand changes, and ensure that their operating model is appropriate.

Financial challenges remain as they do for all police forces and across the public sector more broadly. Significant savings are required over the medium term, and these are increasingly difficult to achieve, given that over 80% of the budget is based on pay related costs, which are so important to the delivery of effective policing services. Reserve levels remain resilient but have reduced in a planned manner over recent years. Further reductions in reserves are planned and risks will be monitored closely over this period, to ensure that any steps are taken in a timely fashion if there are any material or significant changes to financial risk. Capital investment continues, but the lack of any central funding to support this work is an issue and the majority of financing for capital is through borrowing and direct revenue financing which in turn contributes to the need for future savings.

The PCC holds the Chief Constable to account for delivering operational policing within the approved budget envelope and provides support for identification of savings and efficiencies. The PCC has supported the Chief Constable with maximum or near maximum increases in precept over recent years to maximise the funding available for policing and in recognition of the planned improvements that have been identified. As a result, the PCC has been able to demonstrate a healthy outlook for the next five years, although the challenge the ongoing savings requirements will pose is not underestimated.

Despite these challenges, Warwickshire Police continue to be affordable and sustainable, and this is demonstrated through its medium term financial plans, its resilient reserve balances, capital strategy, a proven track record of delivering savings and a balanced annual budget. Whilst there have been a recent spate of section 114 notices in the local government sector, this has not been seen yet in policing, and the outlook for Warwickshire is one of challenges but financial resilience through strong financial management.

7. Conclusion and acknowledgements

The Chief Constable will continue to drive value for money across all areas of policing and closely monitor financial performance throughout the year to ensure that policing demands can be met within the resources available in the approved budget. By the end of 2024/25, Warwickshire Police had 1,136 police officers, the highest level ever recorded, made possible through the availability of PCC funding and the national uplift programme.

The PCC has set a clear direction of travel in his Police and Crime Plan through to 2025 in his five priority areas, notably to support victims, deliver improved visibility through investments in increased officers and PCSO's to tackle crime and reduce reoffending. He will continue to work with and hold the Chief Constable to account whilst also working in partnership with other stakeholders on shared priorities. Following the PCC elections in May 2024, the PCC was re-elected and has prepared a new Police and Crime Plan, which sets out new priorities for his third term of office. The new Plan covers the period from 2025, through to 2029 and was implemented at the end of February 2025. The Chief Constable is responsible for the delivery of these priorities through operational policing, and is refreshing the vision and values of the force, and resetting the strategy for policing Warwickshire, in order to achieve this effectively.

The financial affairs of both the PCC and Chief Constable have been and continue to be prudently and effectively managed. Best practices, CIPFA guidance and codes of practice in financial management, governance and treasury management are being followed. The PCC, the Chief Constable and their CFO's have a strong focus on managing costs and achieving value for money whilst work and investment to transform the delivery of services to provide improved efficiency and effectiveness continues.

Looking ahead the ongoing challenges will be to manage the significant demand pressures on policing through well-resourced internal and externally commissioned services, maintaining and growing where possible officer numbers to continue to deliver the geographical policing model which has been met positively by partners and to secure the ongoing central grant funding, and to ensure the force remains financially resilient. Driving out efficiencies and benefits from the recent investment in technology to improve efficiency and increase productivity remains a key focus of work and will be essential if the force is able to deliver the savings required in the medium term. Activity to understand and plan for changes in workforce costs and demographics need to be continued, as does the monitoring and continuation of the capital strategy to ensure that capital investments are affordable and adequate to meet needs.

The production of the Statement of Accounts would not have been possible without the hard work of colleagues in the Force Finance Department. I would like to express my gratitude to all colleagues who have assisted in the preparation of this document. It has been another challenging year, and I would like to thank them for their support and efforts during this time.

Jeff Carruthers
Director of Finance, Warwickshire Police

Summary on the Statement of Accounts

The Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024, require the PCC and Chief Constable to produce a Statement of Accounts each financial year. These statements contain a number of different elements which are explained below.

As previously mentioned in this statement it is the purpose of the Statement of Accounts (the Accounts), consisting of the financial statements and notes to the accounts, to demonstrate that the Group, consisting of the PCC and the Chief Constable has accounted for public money properly and been economical, efficient, and effective in the use of that public money.

The treatment of transactions (income and expenditure) and balances (assets, liabilities, and reserves) in the PCC's and Chief Constable's Accounts under the Group arrangement is explained in Note 3, 'Critical Judgements in Applying Accounting Policies'. The PCC and Chief Constable are classified as a group arrangement under accounting standards, the Chief

Constable being a subsidiary of the PCC. The specific accounting treatment takes into account the substance of the arrangements for governing the two entities and recognises the formal stage 2 transfer of responsibilities from the PCC to the Chief Constable that took place on 1 April 2014.

The Accounts reflect current legislation and local operating arrangements, where legislation takes precedent over the Code or where the Group position differs from that of the PCC this is explained in the Accounts and the notes. The following is an explanation of the contents of the Accounts and the main financial statements, their purpose and relationship between them.

They comprise:

- The **Statement of Accounting Policies,** which sets out the accounting policies adopted by the Group and the PCC and explains the basis on which the financial transactions are presented.

- The **Statement of Responsibilities** for the Accounts, which sets out the responsibilities of both the PCC and the responsible Chief Finance Officer for the preparation of the Accounts.

- **Auditor's Report** gives the auditor's opinion of the financial statements and of the Group's arrangements for securing economy, efficiency and effectiveness in the use of resources.

- The **Comprehensive Income & Expenditure Statement (CIES)** is a summary of the income and expenditure received and used to provide services during the year and shows how the PCC has funded the cost of net expenditure incurred at the request of the Chief Constable by an intra-group transfer. The surplus or deficit on the provision of services line flows into the MIRS to be transferred into the balance sheet as explained below.

- The **Movement in Reserves Statement (MIRS)** shows the movement in the year on the different reserves held by the Group and the PCC. A further analysis and explanation of the purpose for which these unusable reserves are held can be found at Note 8. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the CIES. This is different to the statutory amounts that can be charged against the police fund and taxation, whereas the net increase before transfers to earmarked reserves is the sum after adjustment for the entries required to comply with accounting standards, Note 7 provides detailed analysis of the adjustments contained in the MIRS.

- The **Balance Sheet**, which shows the value as at the 31 March 2025 of the assets and liabilities recognised by the Chief Constable. The net assets (assets less liabilities) are matched by the usable and unusable reserves, which hold the transfers from the CIES, which have moved through the MIRS.

- The **Cash Flow Statement**, which summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

- **Notes to the Accounts**, these comprise a detailed analysis of the summarised financial information in the Core Financial Statements, including the Expenditure and Funding Analysis (Note 1).

- **Police Pension Fund Account** - This identifies the payments in and out of the Police Pension Fund Account for the year.

- The **Annual Governance Statement** – This section describes how the PCC conducts business in accordance with proper standards and presents the findings from the annual review of the effectiveness of systems of internal control. The Annual Governance Statement does not form part of the Accounts but is included here for reporting purposes.

For completeness, the Group and PCC Accounts should be read alongside the Chief Constable's Accounts.

The Group CIES shows a deficit on the provision of services of £13.916m and the Chief Constable's CIES shows a deficit of £10.826m. The deficit is arrived at after accounting for costs and income in line with the Group's accounting policies and recognised accounting conventions, which is different to the statutory basis used to identify the net expenditure to be funded from local taxation in the form of the Council Tax. For example, proper accounting practice requires the full cost of future pension liabilities to be recognised in the Accounts and is a significant part of the deficit on both the Group's CIES and the CC's CIES.

The financial standing of the Group needs to be viewed from the perspective of the movement in the Police Fund, as set out in the MIRS, which reconciles the CIES to the statutory basis for determining taxation.

In accordance with International Accounting Standard (IAS) 19, the cost of employment and post-employment liabilities is shown in the Chief Constable's Accounts. The Chief Constable maintains a negative pensions reserve to match the estimated liability in relation to Police Officers, Police Staff, and Police Community Support Officers' retirement benefits, which at the 31 March 2025 is £809.5m. However, in considering the impact that this has on the financial position of the Group it must be remembered that:

- Police Staff and Police Community Support Officers are entitled to join the Local Government Pension Scheme (LGPS), which is a funded scheme. The liability will be funded by future planned increases in both the employee and employer contributions.

- The Police Pension Scheme, under the current arrangements, is funded partly by police officer and employer contributions. If there is insufficient money in the Pension Fund Account to meet all expenditure commitments in any particular year the Home Office will fund the deficit.

- The Police Pension Scheme and LGPS have been subject to reform and as from 01 April 2015 the former became a career average (CARE) scheme; the LGPS became a CARE scheme on 01 April 2014. Therefore, the future benefit structures, as well as the level of contributions, have changed.

Further information about the IAS 19 liability can be found under Note 20 and information about the Police Pensions Fund Account can be found on page 76.

Statement of Accounting Policies

i. General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2024/25 financial year and its position at the year-end. The accounting policies are the specific principles, bases, conventions, rules and practices applied by the Chief Constable when preparing and presenting the financial statements. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2022, which must be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The principal accounting policies have been applied consistently throughout the year.

ii. Changes in Accounting Policies

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effects of transactions, other events and conditions in the Chief Constable's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. No changes have been made to the Chief Constable's accounting policies in 2024/25 – the introduction of the IFRS 16 - Leases from 1 April 2024 only affects the Group and PCC Accounts.

iii. Income and Cost Recognition and Intra-group Adjustment

The PCC is responsible for the Police Fund into which all income is received including the main funding streams of Police Grant, Revenue Support Grant and Council Tax as well as income from charges and from which all costs are met. The Police Fund is held in a single bank account: the Chief Constable does not have a separate bank account into which money can be received or from which payments can be made.

The Chief Constable's Accounts show the cost of undertaking day to day operational policing under the direction and control of the Chief Constable. Expenditure shown in the CIES include the salaries of police officers, PCSOs and police staff as well as the cost of purchases. In addition, a charge is shown for the Chief Constable's use of assets, which are strategically controlled by the PCC. The capital charge is equal to depreciation of property, plant and equipment and amortisation of intangible assets plus any charge for impairment through obsolescence or physical damage. To fund the operational expenditure the Chief Constable's Accounts show income by way of funding or financial guarantee provided by the PCC to the Chief Constable. This treatment forms the basis of the intra-group adjustment between the Accounts of the PCC and the Chief Constable. However, because the Chief Constable does not have a bank account there is no actual transfer of cash between the PCC and the Chief Constable.

The cost of post-employment benefits accrued by serving and ex-police officers and police staff and the cost of accrued absences is also shown in the Chief Constable's Accounts.

iv. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by police officers, police staff and PCSOs) are recorded as expenditure when the services are received rather than when payments are made;
- Manual accruals of expenditure are not made where the value of the item is less than £1,000.

Notional transactions between the PCC and the Chief Constable are assumed to be settled immediately. The effect is to minimise the debtors within the Chief Constable's Balance Sheet. Where revenue and expenditure has been recognised but cash has not been paid a creditor for the relevant amount is recorded in the Balance Sheet. However, the PCC has not given consent to the Chief Constable to enter into contracts; therefore creditors for purchases are not shown in the Chief Constable's Accounts. However, accruals for police officers, PCSOs and police staff under the control of the Chief Constable are reflected in the Chief Constable's Accounts.

v. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

However, the Chief Constable does not have a separate bank account, therefore the cash figure is a notional figure derived from the PCC's cash and cash equivalents to balance with corresponding items held on the Balance Sheet.

vi. Charges to Revenue for Non-Current Assets

Services under the direction and control of the Chief Constable are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- Amortisation of intangible non-current assets attributable to the service.

vii. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, rest days, toil, paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable at the start of the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the MIRS so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs. The accumulated cost is carried to the Chief Constable's Balance Sheet where it is held as a liability and this is matched by an unusable reserve.

Termination Benefits

This policy only applies to members of police staff, including PCSOs.

Termination benefits are amounts payable to employees as a result of a decision by the Chief Constable to terminate their employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Cost of Services in the CIES at the earlier of when the employer can no longer withdraw the offer of those benefits or when the employer recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Police 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 MIRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Police officers and police staff, including PCSOs have the option of belonging to one of two separate pension schemes relevant to them:

- Police Pension Scheme (PPS) for Police Officers.
- Local Government Pensions Scheme (LGPS) for Police Staff administered by Warwickshire County Council.

Both schemes provide index-linked defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Chief Constable and determined by the individuals' pensionable pay and pensionable service.

The LGPS and the PPS are accounted for as defined benefits schemes as follows:

- the liabilities of the pension fund attributable to the Chief Constable are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. 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 anticipated earnings for current employees.

- International Accounting Standard (IAS) 19 requires the nominal discount rate to be set by reference to market yields on high quality corporate bonds or where there is no deep market in such bonds then by reference to government bonds.

- the PPS liabilities are discounted using the nominal discount rate based on government bond yield of appropriate duration plus an additional margin and the LGPS liabilities are discounted to their value at current prices, using a discount rate based on corporate bond yields at 31 March 2024.

- the discount rates used by the actuaries and other principal assumptions are set out in Note 20.

- the assets of the LGPS fund attributable to the Chief Constable are included in the Balance Sheet at their fair value:
    - quoted securities – current bid price
    - unquoted securities – professional estimate
    - unitised securities – current bid price
    - property – market value

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

- **Current service cost** – the increase in liabilities as a result of years of service earned in the current year – allocated in the CIES to the services for which the employees worked;

- **Past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs;

- **Net interest on the net defined benefit liability** i.e. net interest expense for the Group – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;

- **Re-measurements comprising:**

  - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;

- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;

- **Contributions paid to the pension fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

A difference between the two schemes is that the PPS is an unfunded, defined benefit, final salary scheme, whereas the LGPS is a funded, defined benefit scheme and, with effect from 1 April 2014, became a career average (CARE) rather than final salary scheme. As the PPS is unfunded there are no investment assets built up to meet the pensions' liabilities and cash has to be generated to meet the actual pensions payments as they eventually fall due. This is further explained in the notes to the Police Pension Fund Account on page 81.

It should be noted that the Chief Constable has not exercised powers to make discretionary awards of retirement benefits in the event of early retirements. The approach set out in the joint Government Actuary's Department (GAD)-CIPFA paper "Assessment of Pension Liabilities Disclosures" as realised in the GAD model has been followed in order to satisfy the disclosure requirements of the Code.

The Chief Constable has powers to make awards to Police Officers who have ceased to be members of the police force and are permanently disabled as a result of an injury received without his/her own default in the execution of his/her duty. These payments are made in accordance with the Police (Injury Benefit) Regulations 2006.

The triennial valuation of the Local Government Pension Scheme took place as at 31 March 2022 and the results from this have been used as the starting point by the scheme's actuaries, Hymans Ltd, in preparing their report for 31 March 2024. Further information can be found in Note 20.

viii. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the PCC and / or Chief Constable in conjunction with other ventures or organisations that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Group recognises on its Balance Sheet the assets (Property, ICT and Vehicles) that it controls or its share thereof. Joint assets give rise to benefits of the joint venturers. The Group also recognises the liabilities that it incurs. The CIES is debited and credited with the expenditure it incurs and the share of costs incurred or income earned through the joint operation.

Note 10 to the Accounts ‘Pooled Budgets and Joint Operations’ provides an explanation of joint arrangements.

ix. Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis from the commencement of the lease term over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent free period at the inception of the lease).

x. Segmental Analysis

Income and Expenditure is reported in the CIES on the basis of the Chief Constable’s organisational structure. This requirement arose from CIPFA’s “Telling the Story” review that revised the presentation of Public Sector financial statements so that the CIES reflects the way that organisations operate and manage services. The Chief Constable monitors and manages its financial performance on the basis of a single segment, Policing Services, to reflect this distinct service area. The costs of overheads and support services are charged to the segment on the same basis as they are reported in the financial performance reports. That is, the costs fall in the segment that is responsible for the support service and that directly monitors and manages that service.

The Expenditure and Funding Analysis (EFA) emanated from the Telling the Story review and brings together local authority performance reported on the basis of expenditure measured under proper accounting practices (including depreciation and the value of pension benefits earned by the employees) with statutorily defined charges to the Police Fund. The EFA reconciles the net expenditure chargeable to council tax to the CIES, analysed by service segment and thereby provides a direct link between the CIES and the budget i.e. the Police Fund.

xi. Prior Year Adjustments

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes are applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

xii. Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are charged as an expense to the Cost of Services in the CIES in the year that the Group becomes aware of the obligation and are measured at the best estimate as 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 and 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 Cost of Services.

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

A contingent liability or a contingent asset arises where an event has taken place that gives the Chief Constable a possible obligation or asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent 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 and contingent assets are not recognised in the Balance Sheet but disclosed in Note 18 to the Accounts.

xiii. Reserves

The Chief Constable does not hold any usable reserves as all such reserves are retained by the PCC.

Unusable reserves are held by the Chief Constable to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the Chief Constable. These reserves are explained in the relevant disclosure notes to the accounts.

xiv. Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty’s Revenue and Customs. VAT receivable is excluded from income.

Statement of Responsibilities

Responsibilities of the Chief Constable of Warwickshire Police

The Chief Constable is required to:

- make arrangements for the proper administration of the Chief Constable's financial affairs and to ensure that one of his officers has the responsibility for the administration of those affairs. In this organisation that officer is the Director of Finance to the Chief Constable;
- manage the Chief Constable's affairs to secure economic, efficient and effective use of resources and safeguard the Chief Constable's assets;
- approve the Statement of Accounts.

I accept the above responsibilities and approve these Statement of Accounts for 2024/25.

Alex Franklin-Smith
The Chief Constable of Warwickshire Police

Responsibilities of the Director of Finance

The Director of Finance to the Chief Constable is responsible for the preparation of Chief Constable's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code).

In preparing this Statement of Accounts, the Director of Finance to the Chief Constable has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code.

The Director of Finance has also:

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

The Statement of Accounts for the Chief Constable of Warwickshire Police were authorised for issue on 11 November 2025 by authority of the Director of Finance to the Chief Constable.

I certify that the Statement of Accounts represents a true and fair view of the financial position of the Chief Constable of Warwickshire Police at the accounting date and of the income and expenditure for the year ended 31 March 2025.

Jeff Carruthers
Director of Finance to the Chief Constable of Warwickshire Police
Date: 11 November 2025

Independent auditor's report to the Chief Constable of Warwickshire Police

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Chief Constable for Warwickshire Police (the 'Chief Constable') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, notes to the financial statements, including accounting policies and other information and include the Warwickshire police officer pension fund financial statements comprising the Police Pension Fund Account and notes to the Police Pension Fund Account. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2025 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom', as required by the Code of Audit Practice approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the Statement of Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the audited financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General, we are required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of the above matter.

Responsibilities of the Chief Constable and the Chief Finance Officer

As explained in the Statement of responsibilities [set out on page 39], the Chief Constable is required to make arrangements for the proper administration of the Chief Constable's financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Chief Constable's Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government to cease the provision of the services provided by the Chief Constable. The Chief Finance Officer is required to comply with the requirements set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtain and update our understanding of the Chief Constable, its activities, control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Chief Constable is complying with that framework. We determined that the most significant legal and regulatory frameworks that are applicable to the Chief Constable, which are directly linked to specific assertions in the financial statements, are those related to the financial reporting frameworks. These include The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, The Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2006, the Police Pensions Regulations 2015, and international accounting standards, as interpreted and adapted by the Code of practice on local authority accounting in the United Kingdom 2024/25. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Chief Constable that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management, internal audit, and those charged with governance concerning the Chief Constable's operations, the key policies and procedures, and the establishment of internal controls to mitigate risks related to fraud and non-compliance with laws and regulations, together with their knowledge of any actual or potential litigation and claims and actual, suspected and alleged fraud;
- Reviewing minutes of committee meetings, including meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the Chief Constable's financial statements and the operations of the Chief Constable through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of high-risk journal entries and other adjustments for appropriateness, including , including journals posted by senior officers, any unauthorised users and journals posted at the year-end, evaluating the rationale of any significant transactions outside the normal course of business and reviewing key accounting estimates including defined benefit pension valuations for indicators of potential bias;
- Other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation or irregularity including testing the accuracy and occurrence of fees and charges income; and
- Assessing whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. We concluded that more experienced audit team members needed to be allocated to perform work on the significant risks identified and engaged audit specialists to support our work on defined benefit pension valuations.

We also communicated potential non-compliance with laws and regulations, including potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on other legal and regulatory matters

Reports in the public interest or use of other statutory powers

Under the Code of Audit Practice, we are required to report to you if, in the course of or at the conclusion of the audit, we:

- issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014;

- make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014;
- make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of the above matters.

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

Responsibilities of the Chief Constable

As explained in the Statement of responsibilities, the Chief Constable is required to manage the Chief Constable's affairs to secure economic, efficient and effective use of resources and safeguard the Chief Constable's assets. The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the Chief Constable's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements.' When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary which will be included] in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Delayed certificate

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Warwickshire Police for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed all our responsibilities mandated by the Code.

Our Whole of Government Accounts work for the year ended 31 March 2025, as mandated under group audit instructions issued by the National Audit Office (NAO), is not yet complete. Confirmation has not been received from the NAO that the Whole of Government Accounts audit for 2024-25 has been certified by the Comptroller and Auditor General.

We are satisfied that this work does not have a material effect on the financial statements, or on our conclusion on the Chief Constable's arrangements for securing economy, efficiency, and effectiveness in its use of resources for the year ended 31 March 2025.

Use of our report

This report is made solely to the Chief Constable for Warwickshire Police in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable for Warwickshire Police, for our audit work, for this report, or for the opinions we have formed.

Andrew Reid

Andrew Reid, Key Audit Partner
for and on behalf of Azets Audit Services, Local Auditor

Birmingham

12 November 2025

Comprehensive Income and Expenditure Statement (CIES)

This Statement recognises the financial resources belonging to the PCC consumed at the request of the Chief Constable in exercising day to day direction and control of the police force for the financial year, presented in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The CIES includes the intra-group transfer, whereby the PCC provides resources to meet the cost of day to day policing provided by the Chief Constable.

2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000			2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
141,595	0	141,595	Policing Services		151,384	0	151,384
141,595	**0**	**141,595**	**Cost of Policing Services**	**1**	**151,384**	**0**	**151,384**
(148,955)	0	(148,955)	PCC's Funding for Resources Consumed	9	(161,963)	0	(161,963)
(7,360)	**0**	**(7,360)**	**Net Cost of Policing Services**		**(10,579)**	**0**	**(10,579)**
		(18,417)	Other operating expenditure / (income) - Home Office grant receivable towards the cost of retirement benefits *(Police Pension Fund Account, Page 76)*				(19,909)
		40,776	Financing and investment net expenditure *(Note 20)*				42,028
		14,999	**Deficit on Provision of Services**				**11,540**
		(7,953)	Re-measurement of the net defined benefit liability *(Notes 8 and 20)*				(102,422)
		(7,953)	**Other Comprehensive Income & Expenditure**				**(102,422)**
		7,046	**Total Comprehensive Income & Expenditure**				**(90,882)**

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different to the statutory amounts charged to the General Fund Balance for council tax setting purposes. The Net (Increase)/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Chief Constable.

2023/24 Unusable Reserves	Notes	Police Fund Balance	Unusable Reserves	Total Chief Constable Reserves
		£000	£000	£000
Opening Balance at 1 April 2023		**0**	**(897,000)**	**(897,000)**
Movement in reserves during 2023/24				
Total Comprehensive Income and Expenditure	**1**	**(14,999)**	**7,953**	**(7,046)**
Adjustments between accounting basis and funding basis under regulations	7	14,999	(14,999)	0
Net Increase before transfers to Earmarked Reserves		0	**(7,046)**	**(7,046)**
Transfers to/from Earmarked Reserves		0	0	0
Increase/(Decrease) in Year		0	**(7,046)**	**(7,046)**
Balance at 31 March 2024 Carried Forward		**0**	**(904,046)**	**(904,046)**
Movement in reserves during 2024/25				
Total Comprehensive Income and Expenditure	**1**	**(11,540)**	**102,422**	**90,882**
Adjustments between accounting basis and funding basis under regulations	7	11,540	(11,540)	0
Net Increase before transfers to Earmarked Reserves		0	**90,882**	**90,882**
Transfers to/from Earmarked Reserves		0	0	0
Increase/(Decrease) in Year		0	**90,882**	**90,882**
Balance at 31 March 2025 Carried Forward		**0**	**(813,164)**	**(813,164)**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The Chief Constable holds employment liabilities, which is associated with the Chief Constable's day-to-day direction and control of police officers and police staff, the costs of which are shown in the CIES. The net liabilities are matched by an unusable reserve held at the bottom of the balance sheet.

31 March 2024 £000		Notes	31 March 2025 £000
	Long Term Assets		
10,693	Short Term Debtors	15	8,648
0	Intra Group Debtor	9	0
10,693	**Current Assets**		**8,648**
(9,661)	Short Term Creditors	16	(10,160)
(277)	Provisions	17	(122)
(4,542)	Intra-Group Creditor	9	(2,015)
(14,480)	**Current Liabilities**		**(12,297)**
(900,259)	Liability Relating to Defined Benefit Pension Schemes	20	(809,515)
(900,259)	**Long Term Liabilities**		**(809,515)**
(904,046)	**Net Liabilities**		**(813,164)**
(904,046)	Unusable Reserves	8	(813,164)
(904,046)	**Total Reserves**		**(813,164)**

The unaudited Statement of Accounts were issued on 30 May 2025 and the audited accounts were authorised for issue on 11 November 2025.

Director of Finance to the Chief Constable of Warwickshire Police

Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. The statement shows how the Chief Constable 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 Chief Constable are funded by the PCC.

2023/24 £000		Notes	2024/25 £000
14,999	**Net (surplus) or deficit on the provision of services**		**11,540**
(14,999)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	7, 19	(11,540)
0	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities		0
0	**Net cash flows from Operating Activities**		**0**
0	Investing Activities		0
0	Financing Activities		0
0	**Net increase or decrease in cash and cash equivalents**		**0**
0	Cash and cash equivalents at the beginning of the reporting period		0
0	**Cash and cash equivalents at the end of the reporting period**		**0**

Notes to the Financial Statements

The following notes contain information which is in addition to that contained in the main financial statements and are intended to provide a fuller explanation and description of specific figures to aid the reader's understanding of the Statement of Accounts.

1. Expenditure and Funding Analysis (EFA)

This Statement shows how annual expenditure is used and funded from resources by the Chief Constable in comparison with those resources consumed or earned by the Chief Constable in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Chief Constable's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

	2024/25 Net Expenditure Chargeable to the Police Fund Balances	2024/25 Adjustments between the Funding and Accounting Basis	2024/25 Net Expenditure in the CIES
	£000	£000	£000
Policing Services	160,784	(9,400)	151,384
Net Cost of Policing Services	**160,784**	**(9,400)**	**151,384**
Funding from the PCC	(160,784)	(1,179)	(161,963)
Other income and expenditure	0	22,119	22,119
(Surplus) or deficit on provision of Services	**0**	**11,540**	**11,540**

Opening Police Fund at 31 March 2024	0
Less Deficit on Police Fund in Year	0
Closing Police Fund at 31 March 2025	**0**

	2023/24 Net Expenditure Chargeable to the Police Fund Balances	2023/24 Adjustments between the Funding and Accounting Basis	2023/24 Net Expenditure in the CIES
	£000	£000	£000
Policing Services	148,821	(7,226)	141,595
Net Cost of Policing Services	**148,821**	**(7,226)**	**141,595**
Funding from the PCC	(148,821)	(134)	(148,955)
Other income and expenditure	0	22,359	22,359
(Surplus) or deficit on provision of Services	**0**	**14,999**	**14,999**

Opening Police Fund at 31 March 2023	0
Less Deficit on Police Fund in Year	0
Closing Police Fund at 31 March 2024	**0**

1(a) Note to the EFA

Adjustments between Funding and Accounting Basis

2024/25					
Adjustments from Police Fund to arrive at the CIES amounts	**Adjustments for Capital Purposes (note i)**	**Net Change for the Pensions Adjustments (note ii)**	**Financing and Investment Adjustments (note iii)**	**Other Adjustments (note iv)**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**	**£000**
Policing Services	1,400	(10,441)	(669)	310	(9,400)
Net Cost of Services	1,400	(10,441)	(669)	310	(9,400)
Funding from the PCC	(1,400)	0	669	(448)	(1,179)
Other income and expenditure from the Funding Analysis	0	22,119	0	0	22,119
Difference between Police Fund surplus or deficit and CIES surplus or deficit	**0**	**11,678**	**0**	**(138)**	**11,540**

2023/24					
Adjustments from Police Fund to arrive at the CIES amounts	**Adjustments for Capital Purposes (note i)**	**Net Change for the Pensions Adjustments (note ii)**	**Financing and Investment Adjustments (note iii)**	**Other Adjustments (note iv)**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**	**£000**
Policing Services	351	(7,713)	(625)	761	(7,226)
Net Cost of Services	351	(7,713)	(625)	761	(7,226)
Funding from the PCC	(351)	0	625	(408)	(134)
Other income and expenditure from the Funding Analysis	0	22,359	0	0	22,359
Difference between Police Fund surplus or deficit and CIES surplus or deficit	**0**	**14,646**	**0**	**353**	**14,999**

Note (i) Adjustments for Capital Purposes

This column adds in depreciation and amortisation in the services line. MRP and other revenue contributions to capital expenditure are deducted because they are not chargeable under generally accepted accounting practices.

Note (ii) Net Change for Pensions Adjustments

This column reflects the net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Group as allowed by statute and the replacement with current service costs and past service costs;

- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note (iii) Financing and Investment Income and Expenditure Adjustments – this column adjusts for borrowing costs that are charged to the Police Fund but are not included in the Net Costs of Policing Services.

Note (iv) Other Adjustments – this column reflects timing differences relating to accruing for compensated absences earned but not taken in the year (absorbed by the Accumulated Absences Account).

1(b) Expenditure and Income Analysed by Nature

2023/24 £000		2024/25 £000
69,568	Police officers pay	76,199
35,356	Police staff pay	40,117
1,952	Police pensions	2,544
1,765	Other Employee Expenses	1,933
12,964	Pensions current cost of service	12,990
(20,690)	Cost of pensions based on cash flows	(23,688)
353	Accumulated absences	(138)
32,107	Other service expenditure	31,857
13	Non distributed costs	257
6,859	Depreciation, Amortisation, Revaluation Loss and REFCUS	10,188
1,348	Capital Charge between PCC and Chief Constable - net	0
40,776	Net interest on the net defined benefit liability	42,028
182,371	**Total Expenditure**	**194,287**
(148,955)	Funding from the PCC for financial resources consumed	(161,963)
0	Capital Charge between PCC and Chief Constable - net	(875)
(18,417)	Government grants and contributions	(19,909)
(167,372)	**Total Income**	**(182,747)**
14,999	**Deficit on the Provision of services**	**11,540**

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

The Code requires the Group to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. The standards that have not yet been adopted that will be introduced in the 2025/26 Code are shown below:

a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability), issued in August 2023;
b) IFRS 17 Insurance Contracts, issued in May 2017;
c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

It is likely that there will be limited application of items a) and b) and given that the PCC operates in sterling only, there will be no impact on the Accounts in respect of a). The detail around item c) will need to be worked through during 2025/26, although given that around 85% of the PCC's Operational PPE is revalued every year and intangible assets are already valued at historical cost, then the impact on the Group and the PCC's Accounts is not expected to be material.

3. Critical Judgements in Applying Accounting Policies

The financial statements are prepared using the accounting policies set out in the earlier section; however the Chief Constable is required to exercise judgement and make estimates and assumptions, based on a range of factors including experience or expert valuation, which affects the application of these policies and the value of transactions and balances reported in the financial statements. This is often the case where there are complex transactions or uncertainty about future events and/or figures are not readily available from another source. The estimates and assumptions are kept under review and revisions, where appropriate, are recognised in the period in which they are made. The critical judgements that have a material impact on the Accounts are as follows:

PCC and Chief Constable Group Relationship

The Police Reform and Social Responsibility Act 2011 came into effect on 22 November 2012, creating two corporations sole: The Police and Crime Commissioner for Warwickshire (PCC) and the Chief Constable of Warwickshire Police (CC).

The allocation of transactions and balances between the PCC and the CC affects the values reported in the two entities' Accounts. The allocation of transactions and balances is a judgement in light of the legislation, accounting standards and the substance of the local arrangements that are in place rather than the legal form underpinning the arrangements. The treatment of the Group, consisting of the PCC and CC, has to be considered jointly.

The approach taken to the accounts is that:

- Revenue expenditure directly relating to those budgets delegated to the CC for the provision of policing services is predominantly included within the Chief Constable's Accounts;

- The CC's accounts have been charged with the expense associated with IAS19 pensions and accumulated staff absences as well as the fair value of non-current assets consumed during the year and the CC's Balance Sheet contains the net liabilities associated with these items offset by unusable reserves as required by the Code of Practice;
- An intra-group transfer has been made between the CC's and the PCC's CIES offsetting the above expenses;
- Within the Group accounts, where material, a distinction is made between the transactions and balances of the Group and the PCC;
- The Chief Constable's Balance Sheet contains employment-related debtors, creditors and provisions together with any inventories.

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

The Accounts contain estimated figures that are based on judgements and assumptions made by the Chief Constable about the future or that are otherwise uncertain. However, because balances cannot be determined with certainty, actual results could be materially different from those that have been estimated. The items in the Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Post-Employment Benefits (Pension Liability)

Estimation of the pension liability depends on a number of complex judgements and assumptions relating to the discount rate, the future value of the assets and liabilities of the Police Pension Schemes (PPS) and Local Government Pension Scheme (LGPS), the rate of increase in pay, changes in retirement ages, and mortality rates. Two actuaries are engaged to provide the PCC and the Chief Constable with expert advice and illustrations about the impact of the changes in assumptions to be applied to the pension schemes, and these are set out in Note 20.

The assumptions used to value the pension assets and liabilities are reviewed annually when the actuaries prepare the figures for inclusion in the Accounts. They will vary year on year based on experience and changes to the pension schemes e.g. scheme profiles and the most appropriate inflation index. A variance in the assumptions compared to reality can produce material changes to the assets and liabilities of the pension schemes. The actuary produces sensitivity analysis to show the impact of a plus or minus 1% variation in key assumptions. The impact of these changes is dampened by the fact that only employer contributions, the cost of ill health retirements and injury awards are charged against the General Fund. The impact on the employer's contributions is smoothed over time by the valuation of the schemes, which is undertaken every three years for the LGPS and every four years for the PPS.

Whilst this area is not a critical judgement, the materiality of any movement in pension figures through estimation techniques could have a significant impact on the accounts. The actuaries provide the Group with advice and illustrations of the potential impact of the changes in assumptions and these are set out at the end of Note 20. The carrying value of the Pensions Liability on the Balance Sheet as at 31 March 2025 is set out in Note 5 below and in further detail in Note 20.

5. Material Items of Income and Expenditure

The re-measurement of the net defined benefit liability in the Other Comprehensive Income and Expenditure section of the CIES is a gain of £101.708m, compared to a gain of £7.953m in 2023/24. The gain is mainly due to a one percentage point increase in the rate used for discounting scheme liabilities; this results in a decrease in the pension liability, and overall the pensions liability held on the Balance Sheet has reduced by £90.8m to £809.5m at 31 March 2025. Further information regarding the Pensions Liabilities and the sensitivity analysis can be found in Note 20.

6. Events After the Reporting Period

The Statement of Accounts were authorised for issue by the Director of Finance to the Chief Constable on 11 November 2025. Events taking place after this date are not reflected in the financial statements or notes.

7. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the Total Comprehensive Income and Expenditure recognised by the Chief Constable in the year in accordance with proper accounting practice to resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure.

2024/25	Police Fund Balance £000
Adjustments primarily involving the Pensions Reserve	
Pensions Costs (transferred to or from Pensions Reserve)	(11,678)
Adjustments involving the Accumulated Absences Account	
Holiday pay (transferred from the Accumulated Absences Account)	138
Total Adjustments	**(11,540)**

2023/24	Police Fund Balance £000
Adjustments primarily involving the Pensions Reserve	
Pensions Costs (transferred to or from Pensions Reserve)	(14,646)
Adjustments involving the Accumulated Absences Account	
Holiday pay (transferred to the Accumulated Absences Account)	(353)
Total Adjustments	**(14,999)**

8. Unusable Reserves

The Pensions Reserve and Accumulated Absences Reserves are held by the Chief Constable and all other unusable reserves are held by the PCC. Unusable reserves are consolidated in the Group Accounts. The Chief Constable’s reserves can be summarised as follows:

31 March 2024 £000 Re-stated		31 March 2025 £000
900,259	Pension Reserve	809,515
3,787	Accumulated Absences Account	3,649
904,046	**Total Unusable Reserves**	**813,164**

(i) Pensions Reserve

Payments for the cost of post-employment benefits and the associated liability are shown in the Chief Constable's Accounts. The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Chief Constable Accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employers contributions to pension funds or eventually pays any pensions for which the Chief Constable is directly responsible as Scheme Manager. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits are due to be paid and that the PCC can continue to meet the liability in the Chief Constable's Accounts, which is made up as follows:

2023/24 £000		2024/25 £000
893,566	**Balance as at 1 April**	**900,259**
(7,953)	Re-measurement of the net defined benefit liability	(102,422)
53,753	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	55,275
(39,107)	Employer's pensions contributions and direct payments to pensioners payable in the year	(43,597)
900,259	**Balance as at 31 March**	**809,515**

(ii) Accumulated Absences Account

The cost of employment benefits and the associated Accumulated Absences liability is shown in the Chief Constable's Accounts. The Accumulated Absences Account absorbs the differences that would otherwise arise on the Police Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. time off in lieu carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

3

2023/24			2024/25	
£000	£000		£000	£000
	3,434	**Balance as at 1 April**		**3,787**
(3,434)		Cancellation of accrual made at the end of the preceding year	(3,787)	
3,787		Amount accrued at the end of the current year	3,649	

	353	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(138)
	3,787	**Balance as at 31 March**		**3,649**

9. Intra-Group Funding Arrangements Between the PCC and the Chief Constable

The treatment of transactions and balances within the Group Accounts is set out in Note 3.

The Intra-Group funding arrangement is eliminated on consolidation of the Group Accounts, a treatment adopted for any transactions between the PCC and Chief Constable. The guarantee from the PCC in respect of the resources consumed by the Chief Constable in 2024/25 amounts to £161.964m (£148.955m in 2023/24). This is included within the Net Cost of Policing Services in the CIES, in line with current best practice for the preparation of Police Accounts.

The Balance Sheet includes an Intra-Group Creditor of £2.015m (Debtor of £4,542m in 2023/24) being the net balance of funding not settled between the PCC and Chief Constable as at the 31 March; this relates mainly to the balance of Debtors and Creditors shown in each of the single-entity accounts as at this date.

The calculation of the Intra-Group funding is set out in the following table:

2023/24 £000		2024/25 £000
141,595	Chief Constable's Cost of Services	151,385
40,776	Interest on the net defined benefit liability	41,314
(18,417)	Home Office grant towards the cost of retirement	(19,909)
(7,953)	Re-measurement of the net defined benefit liability	(101,708)
156,001	**Resources consumed**	**71,082**
	Items removed through the MIRS:	
(6,693)	Movement in pensions liability	90,744
(353)	Movement in accumulated absences liability	138
148,955	**Total resources consumed for the year by the Chief Constable and funded by the PCC**	**161,964**

10. Pooled budgets and joint operations

West Midlands Regional Organised Crime Unit

The West Midlands Regional Organised Crime Unit (WMROCU) is a collaboration between the police forces of Staffordshire, Warwickshire, West Midlands, and West Mercia to fight organised crime across the region. The aim of WMROCU is to reduce the impact and increase the disruption of serious and organised crime within the region and beyond. West Midlands Police acts as the lead force for this joint arrangement and provides the financial management service for this unit.

The unit is funded in part by force contributions and also by grants from the Home Office and the National Cyber Security Programme (NCSP). The revenue account for this unit covers all operating costs. The details3 are as follows:

2023/24		2024/25
£000		**£000**
(16,545)	Contribution from West Midlands Police	(17,296)
(5,080)	Contribution from West Mercia Police	(5,310)
(4,935)	Contribution from Staffordshire Police	(5,158)
(2,467)	Contribution from Warwickshire Police	(2,579)
(2,399)	WMROCU Grant	(2,399)
(280)	National Cyber Security Programme funding	(280)
(242)	Regional Asset Recovery Team grant	(252)
(275)	ROCU Reserves	(330)
(1,096)	UCOL Funding	(1,120)
(153)	ROCTA funding	(236)
(256)	Disruption Team Funding	(256)
(250)	Dark Web Funding	(250)
(153)	Fraud Investigation	(142)
0	DART	(46)
(34,131)	**Total funding provided to the WMROCU**	**(35,654)**
1,792	Regional Asset Recovery Team (RART)	1,555
243	RART – ACE team	260
880	Regional Cyber Crime Unit	912
797	Regional Fraud Team	605
1,429	Regional Prisons Intelligence Unit	1,472
78	Operational Security (OPSY)	67
22	Regional Government Agency Intelligence Network (GAIN)	74
1,429	Command Team	1,621
6,699	Regional Confidential Unit	6,776
694	TIDU – Technical Intelligence	694
456	Enabling Services	346
6,553	SOCU	5,899
8,657	Regional Surveillance Unit (FSU)	9,567
3,730	Other Regional Operations	4,404
336	Threat Assessment Team (ROCTA)	428
288	Disruption Team	336
48	Dark Web	317
0	DART	321
34,131	**Total Expenditure**	**35,654**
0	**Total Net Expenditure**	**0**

East Midlands Air Support Unit (EMASU) and National Police Air Service (NPAS)

The EMASU was a joint operation by the Chief Constables of Warwickshire, Northamptonshire, and Leicestershire. The latter provided the financial administration service for this joint unit, with the three PCCs jointly owning the helicopter.

NPAS was set up by the Home Office with effect from 2 October 2012 with administration of the service being provided by the Chief Constable of West Yorkshire. The Warwickshire, Northamptonshire, and Leicestershire helicopter was formally transferred to the new national service provider on 3 October 2013. NPAS does not constitute a jointly controlled operation and so the PCC only accounts for the expense of payments to NPAS amounting to £0.386m in 2024/25, (£0.358m in 2023/24) and not for a share of the assets or liabilities.

As part of the transfer arrangements, the PCC received an annual payment from NPAS to reflect the value of the air frame credits for the transferred helicopter; the final payment was received in 2023/24 and the liability is now fully discharged.

The Northern Justice Centre and Southern Justice Centre

The Warwickshire Justice Centres are a multi-partner jointly controlled operation. Whilst no legal entity exists, the business of the Justice Centres is conducted through a separate Justice Centre Board, under a formal agreement. The partners to the agreement have joint control of operations; therefore the PCC for Warwickshire is not the sole beneficiary or controlling partner. The Chief Constable provides financial administration support to the Warwickshire Justice Centres Board.

Partners contribute to the running costs on the basis of floor area as follows:

Northern Justice Centre

- 45.6% Police
- 40.0% His Majesty's Courts & Tribunals Service
- 10.4% Probation
- 3.8% Youth Justice Service
- 0.2% Victim Support

Southern Justice Centre

- 27.9% Police
- 56.9% His Majesty's Courts & Tribunals Service
- 7.8% Probation
- 5.1% Crown Prosecution Service
- 2.3% Youth Justice Service

The operational costs, including building maintenance, for the Northern Justice and Southern Justice Centre are met from partner's contributions. A surplus or deficit on the Justice Centre Accounts is carried forward and taken into account in setting the following year's budget. Sinking funds exist for both Justice Centres to meet future building maintenance costs, these funds are ring fenced in their Earmarked Reserves. The sinking funds are cash-backed Reserves and £9.190m (£8,637m as at 31 March 2024) relating to these reserves and working capital, was invested by Warwickshire Police as at 31 March 2025 on behalf of the Justice Centres. Due to the materiality of the Group/PCC's share of the cash and reserves, £3.165m (£3m as at 31 March 2024) has been included in the Group and PCC's Accounts.

The assets of the two Justice Centres (land and buildings) are recorded in the PCC and Group Balance Sheet representing the PCC's control over these assets. The entire income and expenditure associated with operating the Warwickshire Justice Centres is set out in the following tables, however only the Chief Constable's share of this income and expenditure is included in the Chief Constable and Group financial statements.

Northern Justice Centre

2023/24 £000		2024/25 £000
	Income	
(1.985)	Contribution from partners	(1,985)
0	Other income	0
(1,985)	**Total Income**	**(1,985)**
	Expenditure	
8	Pay and Allowances	2
1,788	Premises	1,866
52	Supplies & Services	41
1,848	**Total Expenditure**	**1,909**
(137)	**Net (Income) / Expenditure**	**(76)**

Southern Justice Centre

2023/24 £000		2024/25 £000
	Income	
(3,698)	Contribution from partners	(3,501)
(2)	Other income	(3)
(3,700)	**Total Income**	**(3,504)**
	Expenditure	
11	Pay and Allowances	2
2,985	Premises	2,717
146	Supplies & Services	75
403	Capital Charges – loan repayment	403
3,545	**Total Expenditure**	**3,197**
(155)	**Net (Income) / Expenditure**	**(307)**

The reserves, including the sinking funds, for the Justice Centres do not form part of the Chief Constable's Accounts, they are shown here to present the complete picture of a significant partnership arrangement, which the PCC and Chief Constable are involved in:

RESERVE	Balance at 1 April 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Transfers out 2024/25 £000	Transfers in 2024/25 £000	Balance at 31 March 2025 £000
Sinking fund	**(6,238)**	490	(1,107)	**(6,855)**	891	(1,190)	**(7,154)**
General Reserve	**(1,207)**	2,449	(2,132)	**(890)**	30	(384)	**(1,244)**
TOTAL	**(7,445)**	**2,939**	**(3,239)**	**(7,745)**	**921**	**(1,574)**	**(8,398)**

11. Exit Packages

Following on from changes to the way we deliver some services there were two exit packages approved during 2024/25.

Exit packages include charges by the LGPS in respect of benefits paid before normal retirement age. There were no compromise agreements covering the 2024/25 exit packages. The number of exit packages resulting from redundant posts with total cost per band is set out in the table:

Exit Package cost band (including special payments)	Number of Exit Packages		Total cost of Exit Packages in each band	
	2023/24	2024/25	2023/24 £000	2024/25 £000
£0 - £20,000	1	1	19	17
£20,001 - £40,000	1	0	28	0
Over £100,000	0	1	0	230
Total	**2**	**2**	**47**	**247**

12. Officers' Remuneration

Regulation 7(3) of the Accounts and Audit Regulations 2015 sets out the information to be disclosed to increase transparency and accountability in Local Government for reporting remuneration of senior employees and senior police officers. Remuneration includes all sums paid to or receivable by an employee and expense allowance chargeable to tax, including non-cash benefits in kind. The relevant remuneration information is as follows:

Senior Officer and Relevant Police Officer Emoluments:

		Salary, Fees & Allowances £	Bonuses £	Expenses Allowances £	Benefits in Kind (e.g. car allowance) £	Other Payments (Police Officers only) £	Exit Packages £	Pension Contributions £	Total £
Chief Constable 1 – Debbie Tedds Note 1	2024/25	138,513	0	0	3,426	2,066	0	0	144,005
	2023/24	154,580	0	0	6,877	4,226	0	0	165,683
Chief Constable 2 – Alex Franklin-Smith Note 2	2024/25	156,090	0	0	5,410	0	0	55,100	216,600
	2023/24	129,616	0	0	5,861	0	0	40,181	175,658
Deputy Chief Constable – Note 3	2024/25	137,756	0	0	1,355	0	0	48,628	187,739
	2023/24	126,068	0	0	4,968	0	0	39,081	170,117
Asst Chief Constable 1 – Note 4	2024/25	133,191	0	0	5,399	0	0	47,016	185,606
	2023/24	124,364	0	0	5,367	0	0	38,553	168,284

Asst Chief Constable 2 – Note 5	2024/25	44,514	0	0	2,515	0	0	16,114	63,143
	2023/24	0	0	0	0	0	0	0	0
Director of Finance (S151 Officer)	2024/25	106,015	0	0	0	0	0	20,673	126,688
	2023/24	100,343	0	0	0	0	0	19,567	119,910
Director of Enabling Services	2024/25	106,015	0	0	0	0	0	19,731	125,746
	2023/24	100,343	0	0	0	0	0	19,567	119,910
Director of Data, Strategy & Technology	2024/25	101,816	0	0	0	0	0	19,794	121,610
	2023/24	93,386	0	1,239	0	0	0	18,210	112,835

Notes

1	Debbie Tedds was appointed as CC from 1 July 2021 after a period as Temporary DCC from 27 January 2021 to 30 June 2021. Retired 26 September 2024.
2	Alex Franklin-Smith was appointed Temporary DCC on 1 July 2021, substantive DCC on 30 April 2022, temporary CC on 27th September 2024, and substantive CC on 1st January 2025.
3	Appointed Temporary ACC from 27 Jan 2021, substantive ACC from 26 January 2023, temporary DCC from 27th September 2024, and substantive DCC from 14th February 2025.
4	Appointed Temporary ACC from 1 July 2021 and substantive ACC from 15th July 2024
5	Temporary ACC on secondment from Avon & Somerset Police from 18th November 2024; pay costs shown above have been paid by Avon & Somerset to the ACC and then recharged to Warks Police.

Senior police officers and police staff receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) and including Senior Officers listed above were paid the following amounts:

Number of Employees 2023/24	Remuneration Band	Number of Employees 2024/25
159	£50,000 - £54,999	192
116	£55,000 - £59,999	125
93	£60,000 - £64,999	106
26	£65,000 - £69,999	59
18	£70,000 - £74,999	22
8	£75,000 - £79,999	12
7	£80,000 - £84,999	6
3	£85,000 - £89,999	10
2	£90,000 - £94,999	6
2	£95,000 - £99,999	1
3	£100,000 - £104,999	2
0	£105,000 - £109,999	3
0	£110,000 - £114,999	2
1	£120,000 - £124,999	1
2	£125,000 - £129,999	1

0	£135,000 - £139,999	2
0	£140,000 - £144,999	1
1	£154,999 - £159,999	1
441	**Total**	**552**

The increase in numbers in the table above is due to the pay awards for officers and staff (including incremental progression), whilst the minimum salary for the table has remained at £50k since the disclosure requirement was first introduced over ten years ago.

13. External Audit Costs

	2023/24	2024/25
	£	£
Chief Constable	60,254	51,902
PCC	101,740	107,800
Total for the Group	**161,994**	**159,702**

Following the national auditor appointment tender exercise carried out by Public Sector Audit Appointments (PSAA), the external auditors for both the Chief Constable and the PCC changed with effect from 1 April 2023 from Grant Thornton UK LLP to Azets Audit Services Limited.

The fees shown above for 2023/24 reflect the increased charges that are payable to Azets under the new arrangements as well as any approved fee variations payable to Grant Thornton for the 2022/23 audit that weren’t accrued in that year (Chief Constable).

The 2023/24 fees also include an element of additional fee variations for 2023/24 that have been estimated by Azets. The 2024/25 fees reflect the audit scale fees for 2024/25 as set by the PSAA as well as approved fee variations payable to Grant Thornton for the 2022/23 audit that weren’t accrued in that year (PCC).

Audit support grant of £18,826 (CC: £6,500 and PCC: £12,326) in respect of 2023/24 was received in May 2024 from the DLUHC to offset the increased scale fees; the payment of this grant was not notified in time to be accrued in 2023/24 and is included in the table in Note 13 along with the grant for 2024/25. The 2024/25 grant was received from MHCLG in April 25 (CC: £6,523 and PCC: £12,446) and accrued in 2024/25.

Azets Audit Services Limited provided no non-audit services during the year (nil in 2023/24).

14. Related Parties

The PCC and the Chief Constable are intrinsically related. The PCC empowers the Chief Constable through the scheme of delegation and provides funding to meet expenditure incurred by the Chief Constable on behalf of the PCC. A full explanation of this relationship is set out in Note 3 to the Accounts.

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

Central government has significant influence over the general operations of the Chief Constable. It is responsible for providing the statutory framework within which the Chief Constable operates. The PCC has direct control over the Group's finances, including making crime and disorder reduction grants and is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the PCC, to deliver the aims and objectives set out in the Police and Crime Plan.

Warwickshire County Council administer the LGPS and provide certain Legal Services and Internal Audit services to the Group.

The Chair of the Joint Audit and Standards Committee (JASC) has declared that a family member is the MD of SCC, a subsidiary of Rigby Group plc. These are a significant supplier organisation to Warwickshire Police. Where any conflict is perceived on a particular matter, this is dealt with on an individual basis, but given JASC's role is not one of decision making, but instead to provide advice and scrutiny to the PCC and Chief Constable, the risks are considered minimal.

The PCC and Chief Constable participate in various partnerships with a range of public bodies. Details of the transactions with other public bodies participating in joint arrangements are set out in Note 10 to the Accounts.

The following table shows the extent of the expenditure and income with other local authorities and police forces.

	Expenditure £000	Income £000
Local Authorities in the Policing Area	3,250	(228)
Other Local Authorities	0	(15)
Seconded Police Officers	67	(622)
Other Police Forces (Incl West Mercia)	5,905	(2,364)
Total	**9,222**	**(3,229)**

There are no related party transactions for the Chief Constable other than those set out above, which require adjustment of or disclosure in the financial statements or the accompanying notes.

15. Debtors (Receivables)

This note shows money owed to the Chief Constable for funding and services provided on or before 31 March 2025 where the money has not been received by this date.

31 March 2024 £000		31 March 2025 £000
0	Trade Receivables	0
2,763	Prepayments (inventories of £0.367m)	367
7,930	Other Receivables (including balance of Police Pensions Top-up Grant)	8,281
10,693	**Total Debtors**	**8,648**

16. Creditors (Payables)

This note shows money owed by the Group and PCC for goods and services purchased and received on or before 31 March 2025 where the money has not been paid by this date.

31 March 2024 £000		31 March 2025 £000
0	Trade Payables	0
(9,661)	Other Payables	(10,160)
(9,661)	**Total Creditors**	**(10,160)**

17. Provisions, Contingent Assets and Contingent Liabilities

A £0.195m provision was charged to the CIES in 2020/21 in respect of costs of a court case that will give rise to payments in the future. £0.040m of this was used during 2022/23, leaving a balance as at 31 March 2023 of £0.155m. An additional provision of £0.122m has been made in 2023/24 in respect of costs of other court cases that will give rise to payments in the future, making a total of £0.277m as at 31 March 2024.

18. Proceeds of Crime

As at 31 March 2025, £0.430m (£0.810m as at 31 March 2024) was held in the bank account in respect of funds relating to the Proceeds of Crime Act 2002, representing cash seized by the Police and retained as evidence in support of crimes. This amount is not under the ownership of the Group or the PCC, which acts as steward on behalf of various parties, and as such it does not form part of the Accounts of the Group or the PCC.

19. Cash Flow Statement – Operating Activities

The Chief Constable does not hold a bank account and in order to balance the mandatory cash flow statement a non-cash movement is shown in respect of the sums required at the financial year end to finance the Chief Constable's share of external debtors, external creditors, provisions and the employment liability due to employees and the pensions accounts, as shown below.

2023/24 £000		2024/25 £000
(98)	(Increase)/decrease in revenue creditors & provisions	(344)
127	Increase/(decrease) in revenue debtors (including inventories)	(2,045)
(382)	Movement in Intra-Group Funding	2,527
(14,646)	Movement in pension liability	(11,678)
(14,999)	**Total – Group and PCC**	**(11,540)**

20. Defined Benefit Pension Schemes

The costs and liabilities associated with retirement benefits are primarily recorded in the Chief Constable's Accounts.

Participation in Pension Schemes

As part of the terms and conditions of employment for police officers and other employees the Chief Constable makes contributions towards the cost of post-employment benefits (pensions). Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments that need to be disclosed at the time that the employees earn their future entitlement, no matter when the actual financial cost is incurred.

The Chief Constable participates in two defined benefit pension schemes:

- the Local Government Pension Scheme (LGPS), for police staff and PCSOs, administered locally by Warwickshire County Council. This is a funded, defined benefit scheme, meaning that the Chief Constable and the employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. With effect from 1 April 2014, the LGPS became a career average (CARE) scheme rather than a final salary scheme.

- the Police Pension Scheme 1987 (OPPS), the New Police Pension Scheme 2006 (NPPS) and the Police Pension Scheme 2015 (PPS) are administered by XPS Administration. These are unfunded defined benefit final salary schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual pensions payments as they eventually fall due. The disclosures for the various Police Pension Schemes, including the Injury Awards Scheme, are consolidated in the notes below, as the rules of the schemes are not materially different. The income and expenditure incurred by the police pension schemes and how they are funded is summarised in the section covering the Police Pensions Fund Account. With effect from 1 April 2022, all remaining current members of the 1987 and 2015 schemes were transferred to the 2015 scheme.

The pension schemes above provide members with indexed-linked benefits, which are determined predominantly by the individual's pensionable salary and length of service. As part of the government's pension reforms, these schemes are undergoing significant changes in how they are funded and the benefits they offer. However, the purpose of this note is to explain the financial impact, in accordance with the Code, of the pension schemes, on the Accounts. Details of how the police pension schemes operate can be found on the Home Office website and details of how the LGPS operates can be found on the Warwickshire County Council website. Discretionary post-retirement benefits on early retirement are an unfunded benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

McCloud / Sargeant Ruling - Police Pension Scheme 2015 (CARE scheme) Legal Challenge

McCloud Remedy

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, GAD 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 is closed, GAD have moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liabilities are held within the legacy scheme GAD expect benefits to be paid from. In the 2022/23 disclosures, this led to a past service cost of £15m being added to the 1987 Scheme and a past service cost of £1m added to the 2006 Scheme. As these liabilities are no longer held within the 2015 Scheme there was a past service gain of £16m added to this Scheme: a net nil effect in the consolidated position shown in the tables below.

Now that all the McCloud-related liabilities have moved 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. These adjustments can be positive or negative, depending on which schemes a member is moving between. In GAD’s accounting disclosures at 31 March 2025, they have shown any contributions adjustments as net cashflows.

Section 37 legal case

The case of Virgin Media Ltd vs NTL Pension Trustees II Limited (and others) relates 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. It is understood 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 by GAD or Hymans in the 2024/25 accounting disclosures.

Other court cases

The following court cases may also impact LGPS benefits in the future:

- Walker;
- O'Brien;

It is our understanding these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical Employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, we have not made any allowance for the potential remedies to these judgements.

Impact of 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 2024/25 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 2020-based population mortality projections used by GAD allow for the short-term impacts of Covid-19 for 2019 to 2024 in line with the average views of an expert independent panel. 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.

LGPS Asset Ceiling Calculation

Under the accounting standard IFRIC 14 IAS19, a net asset restriction may apply where the Employer's LGPS Assets are greater than the Obligations as at the Balance Sheet date. The Standard restricts (by way of an "asset ceiling") the amount of accounting surplus that the Employer may be able to disclose as at the balance sheet date. The Group's Balance Sheet position as at 31 March 2025, prior to applying the asset ceiling adjustment is a net asset of £39.6m (31 March 2024: £11.9m).

The Group's LGPS actuaries, Hymans, were commissioned to prepare an asset ceiling paper to provide the Group with asset ceiling calculations as at 31 March 2025, on the same basis as that provided as at 31 March 2024.

The asset ceiling defined by IAS19 is "the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan."

IFRIC 14 IAS 19 also states: "Minimum funding requirements exist in many countries to improve the security of the post-employment benefit promise made to members of an employee benefit plan. Such requirements normally stipulate a minimum amount or level of contributions that must be made to a plan over a given future period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions."

IFRIC 14 asks employers to analyse minimum funding requirement contributions split between future service and past service elements.

Under IAS19, IFRIC 14 requires an additional liability to be recognised where agreed past service contributions would give rise to a future surplus and not be available after they are paid (i.e. available as a refund or reduction in future contributions).

The methodology used by Hymans, as agreed with the Employer, assumes that the Employer has no unconditional right to a refund from the Fund and therefore there is no economic benefit available as a refund. It also assumes that economic benefit is available to the Employer as a reduction in future contributions. The methodology considers both future service contributions and past service contributions as a minimum funding requirement. Past service contributions, where positive, are used to determine if there is an additional liability to recognise under IAS19.

Taking the above methodology into account, Hymans have calculated the Asset Ceiling and the economic benefit available as a reduction in future contributions as:

the present value of future service cost (A)
less
the present value of future service contributions (B)

Where B is greater than A, the economic benefit available as a reduction in future contributions is floored at £0. This is the case for the Group and, as such, the Net Asset of £39.6m would be floored at £0.

However, the second part of the calculation takes into account the present value of agreed past service contributions. These contributions are being made by the Group at around £200k per annum. Hymans have calculated the present value of these past service contributions to be £2.5m.

Therefore the total effect of the asset ceiling on the net asset is £42.1m (£39.6m plus £2.5m). Applying this to the calculated net asset of £39.6m results in a net liability of £2.5m. The Group has chosen to restrict its net asset position in line with the methodology set out above and is now showing a net LGPS liability of £2.5m as at 31 March 2025, as set out in the tables below.

The adjustment of £42.1m has been applied to the Accounts as a remeasurement of the liability (less the adjustments retrospectively applied to the 2022/23 and 2023/24 LGPS net surpluses, totalling £14.7m). Prior to applying the asset ceiling adjustment, the net remeasurement was a gain of £26.3m, but is now shown as a net loss of £0.4m (after adjusting for £0.7m interest on the Asset Ceiling) and is accounted for in the CIES as Other Comprehensive Income and Expenditure. See the “Reconciliation of the Re-measurement” table below for the breakdown of the remeasurement shown in the CIES.

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is reported in the Cost of Services when they are earned by police officers, police staff and PCSOs, rather than when the benefits are eventually paid as pensions. However, the charge against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Police Fund via the Group MIRS. The following transactions have been made in the Group CIES and the Police Fund via the MIRS during the year:

2024/25	LGPS £000	Police Pension Schemes £000	Total £000
CIES			
Cost of Services:			
– current service costs	5,230	7,760	12,990
– past service costs and gain/loss from settlements	257	0	257
Financing and Investment Income and Expenditure			
– net interest expense	118	41,910	42,028
Total Post Employment Benefit charged to the surplus or deficit on the Provision of Services	**5,605**	**49,670**	**55,275**
Other Post-Employment Benefits charged to the CIES			
Re-measurement of the net defined benefit liability and return on plan assets	383	(102,805)	(102,422)
Total Post Employment Benefit charged to the CIES	**5,988**	**(53,135)**	**(47,147)**
MIRS			
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code.	(5,605)	(49,670)	(55,275)
Actual amount charged against the Police Fund Balance for pensions in the year			
– employers' contributions payable to the scheme	(6,332)	(35,775)	(42,107)
– benefits paid direct to beneficiaries	0	(1,490)	(1,490)

2023/24	LGPS £000	Police Pension Schemes £000	Total £000
CIES			
Cost of Services:			
– current service costs	5,334	7,630	12,964
– past service costs and gain/loss from settlements	3	10	13
Financing and Investment Income and Expenditure			
– net interest expense	(34)	40,810	40,776
Total Post Employment Benefit charged to the surplus or deficit on the Provision of Services	**5,303**	**48,450**	**53,753**
Other Post-Employment Benefits charged to the CIES			

Re-measurement of the net defined benefit liability and return on plan assets	3,728	(8,233)	(4,505)
Total Post Employment Benefit charged to the CIES	**9,031**	**40,217**	**49,248**
MIRS			
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code.	(5,303)	(48,450)	(53,753)
Actual amount charged against the Police Fund Balance for pensions in the year			
– employers' contributions payable to the scheme	(5,600)	(32,167)	(37,767)
– benefits paid direct to beneficiaries	0	(1,340)	(1,340)

Pensions Assets and Liabilities Recognised in the Balance Sheets for the Chief Constable and the Group

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

2024/25	LGPS £000	Police Pension Schemes £000	Total £000
Present value of the defined benefit obligation	(171,489)	(807,020)	(978,509)
Fair value of plan assets	168,994	0	168,994
Net liabilities arising from the defined benefit obligation	**(2,495)**	**(807,020)**	**(809,515)**

2023/24	LGPS £000	Police Pension Schemes £000	Total £000
Present value of the defined benefit obligation	(162,697)	(897,420)	(1,060,117)
Fair value of plan assets	159,858	0	159,858
Net liabilities arising from the defined benefit obligation	**(2,839)**	**(897,420)**	**(900,259)**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation) for the Chief Constable and the Group

2024/25	LGPS £000	Police Pension Schemes £000	Total £000
Opening balance at 1 April 2024	**(162,697)**	**(897,420)**	**(1,060,117)**
Current service cost	(5,230)	(7,760)	(12,990)
Interest cost	(7,966)	(41,910)	(49,876)
Contributions by scheme participants	(2,060)	(6,060)	(8,120)
Re-measurement of liabilities *	2,531	101,780	104,311
Benefits paid	4,190	44,350	48,540
Past service costs	(257)	0	(257)
Curtailments	0	0	0
Closing balance 31 March 2025	**(171,489)**	**(807,020)**	**(978,509)**

* as adjusted to take account of the asset ceiling calculation (see explanation above), that is, a £29.2m gain less the £42.1m adjustment plus £0.7m relating to interest on the Asset Ceiling Adjustment plus £14.7m adjusted in previous years = £2.5m gain, as shown in table above.

2023/24	LGPS £000	Police Pension Schemes £000	Total £000
Opening balance at 1 April 2023	**(147,448)**	**(890,710)**	**(1,038,158)**
Current service cost	(5,334)	(7,630)	(12,964)
Interest cost	(6,910)	(40,810)	(47,720)
Contributions by scheme participants	(1,822)	(5,710)	(7,532)
Re-measurement of liabilities *	(5,356)	7,980	2,624
Benefits paid	4,176	39,470	43,646
Past service costs	(3)	(10)	(13)
Curtailments	0	0	0
Closing balance 31 March 2024	**(162,697)**	**(897,420)**	**(1,060,117)**

* as adjusted to take account of the asset ceiling calculation (see explanation above), that is, a £5.9m gain less the £14.7m adjustment plus £3.4m adjusted in 2022/23 = £5.4m loss, as shown in table above.

Reconciliation of the Movements in the Fair Value of the Scheme Assets for the Chief Constable and the Group

Reconciliation of fair value of the scheme assets (LGPS)	Total 2023/24 £000	Total 2024/25 £000
Opening balance at 1 April	**144,592**	**159,858**
Interest income	6,944	7,848
Re-measurement gain/loss: The return on plan assets, excluding the amount included in the net interest expense	5,076	(2,914)
Contributions by employer	5,600	6,332
Contributions from employees into the scheme	1,822	2,060
Benefits paid	(4,176)	(4,190)
Closing balance 31 March	**159,858**	**168,994**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The Police Pension Scheme has no assets to cover its liabilities.

The net liabilities show the underlying commitments that the Chief Constable and the Group has, in the long run, to pay post-employment retirement benefits. However, statutory arrangements for funding the deficit mean that the financial position of the Chief Constable and the Group remains healthy. The deficit on the LGPS will be made good by increased contributions over the remaining working life of employees, (i.e. before payments fall due) as assessed by the scheme actuary. Finance is only required to be raised to cover police pensions when the pensions are actually paid.

The total contributions budgeted to be made to the LGPS by the Chief Constable in the year to 31 March 2026 is £7.246m. Expected contributions for the Police Pension Schemes by the Chief Constable in the year to 31 March 2026 are £16.976m.

Reconciliation of the Re-measurement of the Net Defined Benefit Liabilities for the Chief Constable and the Group

The analysis of the re-measurement of the net defined benefit liabilities for 2021/22 is shown in the table below. The two actuaries concerned have different approaches in providing their respective analyses and the table below is therefore a composite analysis.

2024/25	LGPS £000	Police Pension Schemes £000	Total £000
Changes in financial assumptions*	(824)	(101,715)	(102,539)
Changes in demographic assumptions	(259)	(1,330)	(1,589)
Return on plan assets	2,914	0	2,914
Experience gains and losses	(1,448)	240	(1,208)
Total re-measurement	**383**	**(102,805)**	**(102,422)**

* as adjusted to take account of the asset ceiling calculation (see explanation above)

2023/24	LGPS £000 £000	Police Pension Schemes £000	Total £000
Changes in financial assumptions*	1,283	(18,713)	(17,430)
Changes in demographic assumptions	(866)	0	(866)
Return on plan assets	(5,076)	0	(5,076)
Experience gains and losses	4,939	10,480	15,419
Total re-measurement	**280**	**(8,233)**	**(7,953)**

* as adjusted to take account of the asset ceiling calculation (see explanation above)

LGPS Assets

The LGPS assets consist of the following categories, by proportion of the total assets held:

	Total 31 March 2024 £000	Split of Assets between Investment categories %	Total 31 March 2025 £000	Split of Assets between Investment categories %
Cash & Cash Equivalents	5,922	4	6,260	4
Equities	0	0	0	0
Bonds	24,268	15	25,655	15
Investment Funds & Unit Trusts	105,092	66	111,098	66
Private Equity	11,342	7	11,991	7
Property	13,234	8	13,990	8
Total Assets	**159,858**	**100**	**168,994**	**100**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit actuarial method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The assets and liabilities of the LGPS which is administered by Warwickshire County Council (County Council Fund) have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2022, projected forward to 31 March 2023. The liabilities for the Police Pension Schemes have been assessed by the Government Actuary's Department based on the latest full valuation of the scheme as at 31 March 2020, projected forward to 31 March 2023.

The principal assumptions used by the actuaries have been:

2023/24			2024/25	
LGPS	Police Pension Schemes		LGPS	Police Pension Schemes
		Mortality assumptions		
		Longevity at 65 for current pensioners:		
20.9 years	21.9 years	Men	20.8 years	21.9 years
24.0 years	23.6 years	Women	23.9 years	23.9 years
		Longevity at 65 for future pensioners:		
22.1 years	23.6 years	Men	22.0 years	23.3 years
25.7 years	25.1 years	Women	25.6 years	25.2 years
-	2.60%	Rate of CPI inflation	-	2.70%
3.75%	3.85 %	Rate of increase in salaries (long-term)	3.75%	3.45 %
2.75 %	2.60 %	Rate of increase in pensions	2.75 %	2.70 %
4.85 %	4.75%	Rate for discounting scheme liabilities	5.80 %	5.65%
-	3.85 %	CARE Revaluation Rate	-	3.95 %
pre-April 2008 service: 50% post-April 2008 service: 75%	100%	Take-up of option to convert annual pension into retirement lump sum	pre-April 2008 service: 50% post-April 2008 service: 75%	100%

Following discussions at a national level between Grant Thornton and GAD, GAD re-calculated the liability for the 2022/23 Police Pension Schemes to take account of the impact of higher levels of inflation in the second half of 2022/23. In addition to the long-term CPI inflation assumption above, GAD also included an allowance for known CPI increases between September 2022 and March 2023. GAD used this part year inflation information alongside their assumption above to set the expected inflationary increase of 5.46% for 2023/24. This increase applies to benefits that have increases directly linked with CPI.

Life expectancy is based on the Self-Administered Pensions Scheme (SAPS) year of birth tables adjusted for specific characteristics of the membership of the two schemes.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumptions 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 projected 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.

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in assumption	Decrease in assumption
	£000	£000
Longevity (increase or decrease in 1 year)	23,176	(23,176)
Rate of increase in salaries (increase or decrease by 1%)	12,700	(12,700)
Rate of increase in pensions (increase or decrease by 1%)	140,100	(140,100)
Rate for discounting scheme liabilities (increase or decrease by 1%)	(140,060)	140,060

Police Pension Fund Account

The Chief Constable administers the Police Pension Fund Account (the Account) on behalf of the PCC; amounts debited and credited to the Account are specified by legislation, the Police Pension Fund Regulations 2007 [Statutory Instrument 2007 No 1932], (the Regulations). In relation to the Account the use of the word 'Fund' should not be taken to mean the Police Pension Scheme is a funded scheme, as there are no assets or investments associated with the Account to provide for future benefits. Instead the purpose of the Account is to provide a basis for demonstrating the balance of cash based transactions taking place over the year and for identifying the arrangements needed to balance the account for that year.

2023/24			2024/25	
£000	£000		£000	£000
		Contributions Receivable		
		From employer		
(13,207)		- Normal at 35.3% of pensionable pay (see below)	(15,857)	
(557)		- Ill Health Capital Sum Income	(796)	
(48)		- Other – Pre 1974 Contributions (West Midlands)	(42)	
(5,719)		From members (serving police officers)	(6,175)	
	(19,531)			**(22,870)**
	(11)	**Individual Transfers In from other schemes**		**0**
		Benefits Payable		
31,589		Pensions	34,375	
6,354		Commutations and Lump Sum retirement benefits	8,195	
0		Lump sum death benefits	103	
	37,943			**42,673**
		Payments to and on account of leavers		
16		Refunds of contributions	106	
0		Individual transfers out to other schemes	0	
	16			**106**
	18,417	**Sub-total for the year before transfer from the Group of amount equal to the deficit**		**19,909**
	(18,417)	**Additional funding payable by the Group to meet deficit for the year**		**(19,909)**
	0	**Net Amount Payable / Receivable for the year**		**0**
	(18,417)	**Actual Home Office Top Up funding**		**(19,909)**

Notes to the Police Pension Fund Account

The principles contained in the Regulations, which have been adopted in preparing the Account are as follows:

1. The Account collects the costs and income relating to retired police officers that are in receipt of pensions and income associated with serving police officers that are members of the Police Pension Scheme 1987 (OPPS), the New Police Pension Scheme 2006 (NPPS) or the Police Pension Scheme 2015 (PPS). There are certain exceptions to this arrangement, such as pensions payable under the Police Injury Pension Regulations, which are charged directly to the Cost of Services in the CIES;

2. The Account is prepared on an accruals basis with the exception of accounting for lump sum transfer values to and from other pension schemes. Due to the unpredictable nature of transfer values they have been attributed to or transferred from the Account on a payment and receipts basis;

3. The annual cost of police pensions is met, in part, by contributions from the employer and serving police officers and other minor sources of income. Under the Police Pension Fund Regulations 2007, if the Account is in deficit an amount equal to the deficit is transferred from the Police Fund to meet the deficit; the cost to the Police Fund is subsequently reimbursed by the Home Office by way of the Pensions Top-Up. Conversely, if the Account was to be in surplus, this would be transferred to the Police Fund and subsequently paid over to the Home Office;

4. The amounts due from the Home Office in respect of the shortfall on the Account is the responsibility of the Chief Constable and has therefore been included in the Chief Constable's (and the Group's) Balance Sheet;

5. This Account does not take account of long-term liabilities to pay future pension benefits after the year end, details of the Group's pension liability can be found in Note 20;

6. Employers' contributions, which are set by the Home Office subject to the Government Actuary's Department quadrennial valuation, are calculated at 35.3% of police officer pensionable pay from 1 April 2024 (previously 31.2%);

7. Police officer contributions are deducted from officer salaries. The contribution rates were increased on 1 April 2012 to reflect the agreement reached between the Home Secretary and the Police Negotiating Board. Contribution rates range between 11.00% and 15.05% dependant on the range the police officer's salary falls into and whether the officer is a member of the OPPS, NPPS or PPS;

8. There are no related party transactions to the Account.

Glossary of Terms

Accounts and Audit (England) Regulations 2015 – The regulations that govern the preparation, approval and audit of statements of accounts and other accounting statements prepared in respect of the year ending 31 March 2016 onwards, as amended by the Accounts and Audit (Amendment) Regulations 2024.

Accounting Policies – The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting the Statement of Accounts.

Accrual – The recognition, in the correct accounting period, of income and expenditure as it is earned and incurred, rather than as cash is received or paid.

Actuarial Gains and Losses – For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or the actuarial assumptions have changed.

Accumulated Absences Account – This account holds the liability value of accumulated accrued absences (annual leave, time owing in lieu etc) that are due to employees at the end of the financial year.

Actuarial Valuation – A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

Amortisation – The expensing of the acquisition cost minus the residual value of intangible assets in a systematic manner over their estimated useful economic lives.

Amortised Cost – The carrying amount of some financial assets and liabilities in the Balance Sheet will be written down or up via the Comprehensive Income and Expenditure Statement over the term of the instrument.

Appropriations – Amounts transferred to or from revenue or capital reserves.

Asset – An item owned by the PCC, which has a value, for example, land and buildings, vehicles, equipment and cash. These can be held over the long (non-current) or short (current) term.

Billing Authority – A local authority that, by statute, collects the council tax and national non-domestic rates and manages the Collection Fund

Budget – A statement of the PCC's Policing Plan in financial terms for a specific financial year, which starts on 1 April and ends on 31 March. A budget is prepared and approved by the PCC before the start of each financial year.

Capital Adjustment Account – An account that manages the timing differences between the amounts that have been set aside for capital expenditure, which are not aligned with the charges made for assets such as depreciation, revaluation and impairment, along with the amortisation of intangible assets.

Capital Expenditure – Expenditure on new assets or on the enhancement of existing assets so as to prolong their life or enhance market value.

Capital Financing Charges – The repayment of loans and interest for capital projects.

Capital Grant – A grant from central government used to finance specific schemes in the capital programme.

Capital Programme – The plan of capital projects and future spending on purchasing land, buildings, vehicles, IT and equipment.

Capital Receipts – The proceeds from the sale of an asset, which may be used to finance capital expenditure or to repay outstanding loan debt.

Cash – Cash in hand and held at the bank in on-demand deposits.

Cash Equivalents – 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 Flows – Inflows and outflows of cash and cash equivalents.

Chief Constable – Chief Constable is the rank used by the chief police officer of a territorial police force, who has overall responsibility for the day to day operational direction and control of the Force. The Chief Constable has ultimate statutory responsibility for maintaining the King's peace.

CIPFA – The Chartered Institute of Public Finance and Accountancy is the body that oversees financial standards and financial reporting in public organisations. It is also the professional body for accountants working in the public services.

Code of Practice on Local Authority Accounting in the United Kingdom (The Code) – The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Standards Committee, except where these are inconsistent with specific statutory requirements. The Code specifies the principles and practices, sets out the accounting requirements for local authorities and is based on International Financial Reporting Standards (IFRS).

Collection Fund Adjustment Account – The account that manages the differences arising from the recognition of council tax income as it falls due from taxpayers compared to the statutory arrangements for receiving amounts from the billing authorities.

Comprehensive Income and Expenditure Statement - The total of income less expenditure, including other comprehensive income and expenditure items, presented in the CIES and prepared in accordance with IFRS as set out in the Code.

Contingency – A sum of money set aside to meet unforeseen expenditure or a liability.

Corporation Sole – this a legal entity consisting of a single incorporated office, occupied by a sole person. This allows corporations to pass from one office holder to the next successor-in-office, giving the positions legal continuity with subsequent office holders having identical powers to their predecessors.

Council Tax – The local tax levied on householders, based on the relative market values of property, which helps to fund local services including the police.

Creditors – Individuals or organisations to which the Chief Constable owes money at the end of the financial year.

Current Assets – These are assets which can either be converted to cash or used to pay current liabilities within 12 months. Typical current assets include cash, cash equivalents, short-term investments, debtors and stock.

Current Liabilities – These are liabilities that are to be settled within 12 months. Typical current liabilities include creditors and loan payments due within 12 months.

Current Service Costs (Pensions) – The increase in the present value of a defined benefit scheme's liabilities expected to arise from the employees' service in the current period.

Curtailment Costs – Costs that arise when many employees transfer out of the pension scheme at the same time, such as when an organisation transfers its members to another scheme. The cost represents the value of the pensions rights accrued by the transferring staff.

Debtors – Individuals or organisations who owe the Chief Constable money at the end of the financial year.

Defined Benefit Scheme – A pension scheme which defines the benefits paid to individuals independently of the contributions payable and the benefits are not directly related to the investments of the scheme.

Depreciation – An annual charge to reflect the extent to which an asset has been worn or consumed during the financial year, which is charged to the Comprehensive Income and Expenditure Statement.

Disclosure – Information that must be shown in the accounts under the CIPFA Code of Practice.

Discretionary Benefits – Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the Chief Constable's discretionary powers.

Earmarked Reserves – Monies set aside that are intended to be used for a specific purpose and held in the Balance Sheet.

Exit Packages – Payments such as redundancy payments, either voluntary or compulsory, or early retirement payments made to employees leaving the Group before their due retirement dates.

Fair Value – The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial Instruments – The borrowings and investments disclosed in the Balance Sheet, consisting of loans and investments.

Finance Leases and Operating Leases – A Finance lease transfers all of the risks and rewards of ownership of a non-current asset to the lessee. Where the Group is the lessee, the assets acquired are included within the non-current assets in the balance sheet as a right-of-use asset. Under IFRS 16, operating leases only apply where the Group is a lessor: the ownership of the asset remains with the Group and the annual rental income is credited to the revenue account.

Financial Reporting Standards (FRS) – Recommendations on the treatment of certain items within the accounts.

Financing Activities – Activities that result in changes in the size and composition of the principal, received from or repaid to external providers of finance.

Financial Management Code of Practice for the Police Services of England and Wales 2012 – The Financial Management Code of Practice provides clarity around the financial governance arrangements within the police service in England and Wales, and reflects the fact that the police service has a key statutory duty to secure value for money in the use of public funds.

Financial Year – The period of twelve months for the accounts, from 1 April to 31 March.

General Fund – The main account which income is received into and expenditure is paid from.

General Reserves – Funds set aside to be used in the future.

Government Grants – Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the PCC in return for past or future compliance with certain conditions relating to the activities of the PCC.

Gross Spending – The costs of providing services before allowing for government grants and other income.

Group Accounts – The financial statements that combine the accounts for the PCC and the Chief Constable, that show the performance of the Group as if it was a single entity.

Home Office Grant (Pensions) – If there is insufficient money in the Pension Fund Account to meet all expenditure commitments in any particular year, the Home Office will fund the deficit by way of a grant.

Impairment – The amount by which the recoverable value of an asset falls below its carrying (or book) value.

Intangible Asset – A non-physical non-current asset, e.g. computer software.

Interest Income – The money earned from investing activities, typically the investment of surplus cash.

International Accounting Standards Board (IASB) – This is the independent, accounting standard-setting body, which is responsible for developing International Financial Reporting Standards and promoting the use and application of these standards.

International Financial Reporting Standards (IFRS) & International Accounting Standards (IAS) – The accounting rules and principles, adopted by the International Accounting Standards Board, on which the Statement of Accounts is based. The Code is prepared in accordance with the IFRS.

Investing Activities – The buying and selling of long-term assets and investments that are not cash equivalents.

Jointly Controlled Operations - Activities undertaken by the Chief Constable and/or the PCC that are jointly controlled with other venturers. The jointly controlled operation does not give rise to the creation of a separate entity.

Lease Liabilities – the present value of lease payments payable over the lease term for leased assets (see also Right-of-use Assets).

Liabilities – Amounts that are due to be settled by the PCC in the future, which includes Current Liabilities and Long Term Liabilities.

Major Precepting Authority – Authorities that make a precept on the billing authority's collection fund, e.g. County Councils and Police and Crime Commissioners.

Materiality – Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of financial statements. Materiality depends on the nature or size of the item omission or misstatement judged in the surrounding circumstances.

Minimum Revenue Provision (MRP) – The statutory minimum amount that is required to be set aside on an annual basis as a provision to repay debt.

National Non-Domestic Rates (NNDR) – The national non-domestic rate in the pound is the same for all non-domestic rate payers and is set annually by the government. Income from non-domestic rates goes into a central government pool that is then distributed according to resident population.

Net Book Value – The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current values less the cumulative amounts provided for depreciation.

Non-Current Assets (Fixed Assets) – Tangible assets, such as buildings and equipment are assets that yield benefits for a period of more than one year. Intangible non-current assets have no physical substance but provide a benefit for more than one year, e.g. computer software.

Notes to the Accounts – The notes contain information in addition to that presented in the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement.

Operating Activities – The activities of the entity that are its normal activities, excluding its investment and financing activities.

Outturn – The actual amount spent in the financial year.

Past Service Cost – For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods but arising in the current period as a result of the introduction of, or improvement to retirement benefits.

Payments in Advance – These represent payments made prior to 31 March for supplies and services received on or after 1 April.

Pension Fund – The fund that makes pension payments following the retirement of its participants.

Pensions Expected Rate of Return on Assets – For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Pensions Interest Costs – For a defined benefit scheme, the expected increase during the period at the present value of the scheme liabilities because the benefits are one period closer to settlement.

Pensions Reserve – A non-cashable reserve used to reconcile payments made for the year to various statutory pension schemes and the net change in the recognised liability under IAS19 for the same period.

Police and Crime Commissioner (the PCC) – an elected representative charged with securing efficient and effective policing of a police area in England and Wales. PCCs replaced the now abolished Police Authorities from 2012.

Police Act 1996 – An Act of the Parliament of the United Kingdom which defined the current police areas in England and Wales, constituted the Police Authorities for those areas (now superseded by PCCs), and set out the relationship between the Home Secretary and the English and Welsh territorial police forces.

Police and Crime Panel – The Police Reform and Social Responsibility Act 2011 established Police and Crime Panels within each force area in England and Wales. The panel is responsible for scrutinising PCCs' decisions; they also review the Police and Crime Plan and have a right of veto over the precept.

Police and Crime Plan - The Police Reform and Social Responsibility Act 2011 introduces a duty on the PCC to prepare a Police and Crime Plan which should determine, direct and communicate their priorities during their period in office.

Police Fund Balance - The Police Fund Balance is the statutory fund into which all the receipts of the PCC are required to be paid and out of which all liabilities of the PCC are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the Police Fund, which is not necessarily in accordance with proper accounting practice. The Police Fund Balance therefore summarises the resources that the PCC is statutorily empowered to spend on services or on capital investment.

Police Principal Grant – This is part of the total specific government grant support for police services. The amount is determined annually by the Home Office on a formula basis.

Police Reform and Social Responsibility Act 2011 (The Act) – this is an Act of the Parliament of the United Kingdom. It transfers the control of police forces from Police Authorities to elected PCCs. The first PCC elections were held in November 2012, and are held every four years thereafter (in May).

Precept – The amount of council tax that the PCC, as a major precepting authority, has instructed the billing authorities to collect and pay over in order to finance its net expenditure.

Provisions – The amounts set aside to provide for liabilities that are likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

Public Works Loan Board (PWLB) – A statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury, which provides long-term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

Receipts in Advance – These represent income received prior to 31 March for supplies and services provided by the Authority on or after 1 April.

Reimbursements – Payments received for the work carried out for other public organisations, e.g. the government.

Related Parties – Bodies or individuals that have the potential to control or influence the Chief Constable and/or the PCC.

Reserves – Monies set aside by the PCC that do not fall within the definition of provisions. Reserves held for specific purposes are known as earmarked reserves.

Retirement Benefits – All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

Revaluation Reserve – The Reserve records the accumulated gains on the non-current assets held by the PCC arising from increases in value. It is charged with the part of the depreciation charge for the asset which relates to the revaluation. Any balance on this account is written back to the Capital Adjustment Account upon disposal of the asset.

Revenue Expenditure and Income – Day to day expenses mainly salaries, general running expenses and debt charges. These costs are met from the Council Tax, Government Grants, fees and charges.

Revenue Expenditure Funded from Capital Under Statute (REFCUS) – Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset. These costs may be charged as expenditure to the relevant service in the CIES in the year.

Revenue Support Grant (RSG) – General Government Grant support towards the PCC's expenditure.

Right-of-use Assets - an asset that represents a lessee's right to use an underlying asset for the lease term. The lease term, at the commencement date, will be longer than one year.

Scheme Liabilities (Pensions) – The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities are measured using the projected unit method to reflect the benefits that are committed to be provided for service up to the valuation date.

Scheme of Delegation and Consent, Financial and Contract Regulations – The Scheme of Delegation and Consent details the key roles of the PCC and those functions that they designate to the Chief Executive, Treasurer, the Chief Constable and, if appointed, the Deputy PCC. The scheme also provides a framework to ensure that business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. The Financial and Contract Regulations establish overarching financial responsibilities; confer duties, rights and powers upon the PCC, the Chief Constable and their officers providing clarity about the financial accountability of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.

Specific Grant – Payments from the government to cover Local Authority spending on a particular service or project. Specific grants are usually a fixed percentage of the cost of a service or project and have strict rules detailing eligible expenditure.

Surplus or Deficit on the Provision of Services – The total of income less expenditure, excluding the components of Other Comprehensive Income and Expenditure. Presented in the Comprehensive Income and Expenditure Statement in accordance with IFRS as set out in the Code.

Tangible Non-current Assets – Physical non-current assets, e.g. land, buildings, vehicles and equipment held for a period of over one year.

Taxation and Non-Specific Grant Income – Council Tax and all grants and contributions recognised in the financial year.

Telling the Story – CIPFA's review of the presentation of Public Sector financial statements. The CIES now reflects the way that organisations operate and manage services.

Transfer Value – A sum of money transferred between pension schemes to provide an individual with entitlement to benefits under the pension scheme to which the transfer is made.

APPENDIX 1

Chief Constable of Warwickshire Police
Joint Annual Governance Statement 2024/25