



PCC and Group statement of accounts 2024/25

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PREFACE

Introduction to the 2024/25 Statement of Accounts by Matthew Barber, the elected Police and Crime Commissioner for Thames Valley



Rising costs and a settlement from the Home Office that did not meet the pressures of inflation, has meant that despite continued efficiency savings by Thames Valley Police I have had to increase the policing precept to enable me to set a balanced budget. However as well as maintaining the service to communities there is also investment to support the delivery of my new Police and Crime Plan which focuses on protecting communities, people and property.

Strengthening neighbourhood policing to address the crimes of most concern to communities along with antisocial behaviour continues to be one of my priorities with investment in additional frontline police officers. Priority crime teams will tackle burglaries, theft and shoplifting and I have increased the Rural Crime Taskforce, nearly doubling the number of dedicated officers working to detect and stop criminal activity and organised crime groups operating in our rural communities.

I remain committed to tackling knife crime and with a focus on prevention and deterrence have funded a Thames Valley wide programme with Youth Offending Services to help tackle knife and weapon carrying and deter young people from serious offending.

The implementation of a Thames Valley CCTV partnership continues into other areas to deliver improved, sustainable CCTV provision to help detect and deter crime and keep the public safe and in addition, investment in the Forensics Improvement Programme will transform Thames Valley Police's forensic services, improving investigations and the outcomes for victims.

Once again, thanks to the diligent work in my office and within the Force, the accounts have been signed off by our external auditors with no significant adverse findings.

THE NARRATIVE REPORT

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It therefore aims to provide information to help the reader:

- Understand the overarching financial position of the PCC and Group
- Have confidence that the PCC and Group spent public money wisely and has been accounted for in an appropriate manner.
- Be assured that the financial position of the PCC and Group is sound and secure.

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. The structure of this Narrative Report is set out below.

1. Background of Chief Constable and the Police and Crime Commissioner
2. Our Strategy
3. Financial performance
4. Demand
5. Our commitment to sustainability
6. People
7. Outlook

1. BACKGROUND OF THE PCC AND GROUP

Thames Valley Police (TVP) is the largest non-metropolitan force in England and Wales. It serves the three counties of Berkshire, Buckinghamshire and Oxfordshire, with an area of 2,216 square miles and a population of over 2.34m people. The force has 5,095 police officers, 4,137 staff members and over 640 Special Constables and volunteers.

The Chief Constable has direction and control over the force's officers and staff. The Chief Constable is operationally independent and accountable to the law for the exercise of police powers.

The Police and Crime Commissioner (PCC) is elected to secure an efficient and effective police service, and to hold the Chief Constable to account for delivering this. The PCC sets the budget for the force, and commissions services for victims and for crime prevention. TVP's two main sources of funding are grants from the Home Office and Council Tax. The PCC sets the Council Tax level.

The Chief Constable and the PCC are established as separate legal entities (Corporations Sole). The Corporate Governance Framework describes how the Chief Constable and the PCC conduct their business and discharge their responsibilities. In this document, the term TVP covers the Group – i.e. the Chief Constable and PCC.

2. OUR STRATEGY

Following Matthew Barber's re-election as PCC in May 2024, he launched his Police and Crime Plan 2024–2029. This document sets out his vision for policing in Thames Valley, working closely with the Chief Constable to deliver for all of our communities, ensuring common sense policing, cutting crime and catching criminals. The strategy comprises three key priorities:

- 'Protecting Communities
- 'Protecting People
- 'Protecting Property



As part of his legal responsibilities the Chief Constable has set out his priorities in his Strategic Plan for 2024/25:

- Serving Victims
- Building Trust
- Fighting Crime
- Valuing our People

TVP continues to focus on internal structures, leveraging the work already completed through a recent Force Review, to make sure we are organised in the best possible way to meet current and future challenges including financial challenges by ensuring our resources are focused on our priority areas.

TVP is working to build an environmentally sustainable police service. The Environmental Sustainability Strategy aims to reduce the impacts of Thames Valley Police on the environment; enable us to become a more resource efficient and resilient organisation; and embed environmental sustainability considerations within our decision-making processes at all levels.

Many services are delivered in collaboration with other forces to maximise service delivery and value for money. TVP collaborates with Hampshire on Information and Communication Technology (ICT), Information Management Unit, Contact Management and specialist operational services through our Joint Operations Unit (JOU). TVP leads the Counter Terrorism Police South East (CTPSE), the South East Regional Organised Crime Unit (SEROCU) and the Chiltern Transport Consortium for fleet management services. TVP is also a member of South East and Eastern Police Insurance Consortium (SEERPIC).

3. FINANCIAL PERFORMANCE

Key Financial Influences

Prices (measured by consumer price index with housing) increased by 3.4% in the 12 months to March 2025. TVP has been particularly affected by rises in fuel prices, increasing costs of construction contracts, impacts as a consequence of supply chain issues and people retention within the Force.

Police officer salaries are set by the Home Office. Police officers were awarded a 4.75% pay award increase. Police staff pay is set within TVP. Staff were awarded a pay rise of 4.75% to match the Officer award. The element of the pay awards above 2.5% was largely funded by an additional Home Office grant. The shortfall has put pressure on the budget for 2024/25 and beyond.

Home Office police funding has not kept pace with cost pressures since the financial crash of 2008. With slow economic context, government funding continues to be a risk and more of the burden of funding the police has fallen on Council Tax payers. In 2024/25 the maximum amount by which the PCC could increase the Precept (without a referendum) was set at £14. The PCC used the full flexibility to set the Council Tax Precept at £283.28 per annum for a Band D property in 2024/25. Future increases in Council Tax are not guaranteed. Inflation increases pressure within the force for an increase but also results in cost-of-living pressures on taxpayers.

TVP has a good history of delivering productivity savings every year since 2010 and using these to balance annual budgets or reinvesting them in frontline policing. In 2024/25 the force delivered £7.6m of budget savings through its efficiency programme. Efficiency plans, including the Force Review of internal structures, are expected to make further savings of £27.1m over the next four years to allow TVP to meet its financial pressures. Savings for 2025/26 have already been identified and progress is being made for 2026 to 2029. This challenge is being closely managed to deliver this level of savings on top of earlier efficiencies.

TVP plans significant investment in the force estate over the coming years, including maintenance and refurbishment of the existing estate, and new developments for priorities such as Forensics and



Custody. The capital requirement is £204.3m over the next four years, with further potential requirements over the coming decade.

Interest rates have been on the decline, but the PCC has managed to obtain a good level of income by investing in Local Authorities and Banks.

Funding

Funding to cover general activities is broken down as follows:

Funding	2023/24 £000	2024/25 £000	Increase %
Home Office Grants	278,051	292,607	5.2%
Council Tax	248,620	262,829	5.7%
TOTAL	526,671	555,436	5.5%

PCC directly controlled expenditure

The PCC directly controls budgets to deliver on his responsibilities to hold the Chief Constable to account, and to provide services for victims and crime prevention. The following table shows the expenditure on budgets funded from general income in 2024/25:

Expenditure	2024/25 Budget £000	2024/25 Actual £000	Annual Variance £000
Democratic Representation	144	157	13
Office of the PCC	1,820	1,925	105
Other Costs	487	878	391
Partnership Fund	2,572	1,811	(761)
Crime Prevention Fund	1,347	1,323	(24)
Contributions to Reserves	0	347	347
Controlled by PCC	6,224	6,153	(71)
Accounting Adjustments	12,781	12,781	0
TOTAL	25,375	25,375	0

Democratic Representation covers the PCC's salary and expenses, and the costs of the independent committees set up to provide the PCC and Chief Constable with assurance on TVP governance and operations: the Joint Independent Audit Committee (JIAC), and the Professional and Ethical Standards Panel (PESP). The Office of the PCC is mainly made up of the costs of the staff employed by the PCC to deliver his Police & Crime plan and statutory responsibilities.

Other Costs largely relates to audit, treasury and legal activities provided on behalf of the whole Group – the budget variance is largely due to increased legal costs in relation to police misconduct.

The Partnership Fund is allocated to Local Authority Community Safety Partnerships (CSPs) within Thames Valley. They have used their grant allocations to fund activities including addressing serious violence, reducing antisocial behaviour, domestic abuse support services, drug diversion programmes, and preventative work with young people. The PCC provides funding on a three-year cycle to support longer term planning of expenditure, the 3 year cycle concluded in 2024/25. The underspend is due to some CSPs not using their whole allocation and receipt of external funding for budgeted projects.

The Crime Prevention Fund is used by the PCC to provide grants and services to reduce crime and disorder and support victims.

Accounting Adjustments largely relate to capital and pension accounting.

The PCC has spent the following from fully funded grant sources:

Funding	2023/24 £000	2024/25 £000	Annual Variance £000
Victims' grants	4,562	4,702	140
Other grants	2,519	2,089	(430)
TOTAL	7,081	6,791	(290)

The Victims grants are received from the Ministry of Justice (MoJ) to commission services for victims and witnesses of crime. The Victims First Hub acts as a single point of contact for initial contact, assessment, and support for all victims across Thames Valley. The PCC commissions services to help victims to cope and recover from the effects of crime, with particular services for victims of sexual violence, domestic abuse and exploitation, with services tailored to both adults and young people. The other Grants have been secured from the MOJ and the Home Office to improve community safety and reduce crime.

In addition, during the year, the PCC, in consultation with the Chief Constable, paid grants totalling £546k from the Community Fund for charitable purposes. This is a separate fund formed from the proceeds of sale of goods recovered by the police that cannot be returned to their original owner, and distributed in accordance with the Police Property Act Regulations (1997)

Chief Constable Expenditure

The following table provides a high-level comparison between the approved budget for 2024/25 and actual expenditure for TVP operational budgets i.e. those under the direction and control of the Chief Constable

	Annual Budget £000	Annual Outturn £000	Annual Variance £000
<u>Pay & Employment Costs</u>			
Police Officer Pay & Allowances	336,601	337,498	897
Police Officer Overtime	13,513	13,677	164
Staff/PCSO Pay & Allowances	175,199	179,095	3,895
Other Employee Expenses	13,380	13,894	514
Subtotal	538,694	544,164	5,470
<u>Overheads</u>			
Premises Related Expenditure	23,662	23,965	303
Transport Related Expenditure	12,622	12,199	(424)
Supplies & Services	77,412	73,830	(3,582)
Third Party Payments	31,738	30,906	(832)
Specific Grants	(82,333)	(80,219)	2,114
Force Income	(58,023)	(62,135)	(4,112)
Subtotal	5,079	(1,454)	(6,533)
<u>Regional Collaborative Services</u>			
South East Regional Organised Crime Unit	40,278	40,278	0
Counter Terrorist Policing South East	44,221	43,828	(393)
Counter Terrorist Specialist Firearms Officers	5,157	5,154	(3)
Chiltern Transport Consortium	22,031	21,406	(625)
Government Grants & Partnership Income	(111,686)	(110,665)	1,021
Grand Total - Cost of Operational Policing	543,773	542,710	(1,063)

Pay & Employment Costs

The overall overspend on pay & employment costs is driven by the increased pay award at 4.75% for both Officers and Staff, of which circa £1m was unfunded by the Home Office. The officer pay overspend is due to maintaining actual officer numbers greater than the establishment in preparation for the NHP Grant increase in officer numbers required by the new Government in 2025/26.

The overspend in staff pay is primarily through additional ICT agency staff, particularly for projects, for which some of the costs are offset through the wider ICT budgets and income from partners for joint projects.

Higher employee insurance costs have increased the other employee costs because of the actuarial review of our insurance provisions.

Overtime costs have generally reduced from previous years through greater scrutiny and governance, with the small overspend being generated by a provision for historic claims that have arisen through the upgrade to the DMS systems at circa £800k.

Overheads

The overall underspend on overheads represents increased expenditure and costs on remedial building works and repairs, which have been offset by reduced spends in ICT and third-party payment to collaborative partners, especially for the JOU. The reduction in specific grants represents an under recovery on the Security Grant due to large vacancies in that area. The increased income partly covers the increased project staff costs, and also represents additional general income receipts from fee and charges such as VRS and training income. Additionally, we have received circa £1m for the use of our custody suites by the prison service, as agreed through Operation Safeguard.

Regional Collaborative Services

The regional collaborative services are fully funded through various independent grants and regional force contributions, all of which are balanced up at the year end and charged to the respective forces revenue budgets.

a) Group level

The Group level incorporates all income and expenditure controlled by both the PCC and the CC. The final revenue surplus for 2024/25 was £3.43m which was appropriated to the Improvement & Performance Reserve to support the long-term investment programmes.

	Annual Budget £000	Annual Outturn £000	Annual Variance £000
Cost of Operational Policing (from Above)	543,773	542,710	(1,063)
PCC Controlled Expenditure	5,915	5,890	(25)
Capital Financing	17,780	31,658	13,878
Interest on Balances	(4,600)	(9,819)	(5,219)
Statutory Accounting Adjustments	97,550	91,649	(5,901)
Appropriations From Balances	(103,899)	(105,545)	(1,646)
Cost of Services	556,518	556,543	24
Funded By			
General Grant Income	(293,621)	(292,607)	1,014
Council Tax	(262,898)	(263,936)	(1,038)
Total	(556,518)	(556,543)	(24)
Net Revenue Position	0	0	0

Capital Expenditure

The following table shows the net capital position for the whole Group compared to the active capital budget for 2024/25. The variance of £6.008 million comprises scheme underspends of £0.778 million and slippage of expenditure of £5.230 million.

At the start of the financial year, the PCC (on behalf of the Group) approved an annual Capital Programme of £64.5m. During the year the active capital budget was adjusted downwards to £57.919m to reflect prior year re-phasing, grant funding and capital elements of approved projects. Please see below detail:

2024/25 Budget	Approved MTCP (Jan 2024) £000	Slippage 2024/25 £000	Rephasing 2024/25 £000	Budget Changes 2024/25 £000	Revised Budget 2024/25 £000
Property	51,316	3,450	(22,545)	2,325	34,546
Technology & Business Change	5,866	3,680	(3,770)	6	5,783
Grants	0	(30)	0	11,393	11,363
Equipment	1,256	369	(913)	0	712
Vehicles	6,010	(495)	0	0	5,515
Total	64,448	6,975	(27,228)	13,724	57,919

	Annual Budget £000	Actual Spend £000	Annual Variance £000
Property schemes	34,546	31,682	(2,864)
ICT schemes and Business Change	5,783	2,534	(3,249)
Equipment	712	107	(605)
Vehicles	5,515	6,079	564
Grant Funded Schemes	11,393	11,508	115
Total	57,949	51,909	(6,038)

The Force continues to improve the efficiency and effectiveness of its estate by reducing the overall size of the estate and replacing inefficient expensive buildings with operational focused buildings. Some programme slippage has occurred due to prevailing market conditions.

TVP is taking advantage of opportunities provided by technological advancements to improve operational policing and working practices. The investment in ICT hardware and infrastructure continues to be coordinated to ensure individuals have appropriate refreshed devices operating across a secure infrastructure.

Balance Sheet

The Balance Sheet is a snapshot of the Group's assets, liabilities and cash balances. The high level summary is as follows:

Net Assets	At 31 March 2024 £000	At 31 March 2025 £000
Non-current assets	326,299	349,352
Net current assets	115,801	102,513
Pension liabilities	(3,467,347)	(3,139,595)
Other long-term liabilities and provisions	(56,666)	(69,243)
Total Capital	(3,081,914)	(2,756,973)

Reserves are as follows:

Reserves	At 31 March 2024 £000	At 31 March 2025 £000
Usable reserves	120,667	109,125
Unusable reserves	264,396	273,497
Pensions reserve	(3,466,976)	(3,139,595)
Total Capital	(3,081,914)	(2,756,973)

The pension liabilities is made up of £3,137m associated with the unfunded police officer pension scheme and the net liability of £2m in the funded Local Government Pension Scheme (LGPS) for police staff. The police officer pension scheme is underwritten by the Home Office who provide an annual top-up grant to fund the difference between pension payments and income from employee and employer contributions.

General reserve balances are maintained between 2.5% - 3% of annual net revenue expenditure budget to be used as a last resort to manage and fund demand-led spending pressures. The remainder of the usable reserves are allocated to fund specific initiatives or meet areas of anticipated future spending.

Treasury

The PCC approves a Treasury Management and Investment Strategy Statement before the start of each financial year and receives quarterly reports on treasury performance. The following table shows the cash including investments at the end of the year:

	At 31 March 2024 £m	At 31 March 2025 £m
Cash and other cash equivalents	29.5	22.5
Short term investments	119.9	112.7
Total Capital	149.4	135.2

The PCC finances part of the capital programme through borrowing. At 31st March 2025 the PCC had total external borrowings of £46.4m and a right of use lease liability of £10.5m

4. DEMAND

The demand from the public for our services has seen a slight decrease, down 6% compared to the same period last year, with 361,382 calls received for 999, an 8% reduction on last year. However, service levels have seen an increase with 92% of 999 calls answered within 10 seconds.

Calls to our 101 services reduced by 6% to a yearly total of 391,238 calls. Over the course of the year the average time to answer 101 calls was 3 minutes and 32 seconds. However, Online reporting levels saw a slight increase of 2%.

462, 827 incidents were recorded in 2024/25 of which 179,215 were attended. 172,234 crimes were recorded in the period, this represents a decrease of 1% in crime numbers against last year.

The Force has seen crime reductions in many areas:

- Vehicle offences down by 16% compared with last year, this was reflected in Theft of Vehicle, Theft from Vehicle and Vehicle Interference offences.
- Possession of Weapon Offences down by 10% compared with last year.
- Public Order down by 5% compared with last year.
- All Residential Burglary was down by 9%.

However, the Force has seen increases in crime in a number of areas:

- Shoplifting up by 27% compared with last year,
- Business Robbery continues to show an increase year on year and has more than doubled, up 141% compared to last year,
- Trafficking in drugs up by 39% compared with last year,
- Other Sexual Offences also saw an increase, up 16% compared to last year,

26,395 crimes resulted in a Positive Outcome being applied, an increase of 10% when compared to last year, with an outcome rate of 15%. This includes cases going to court or an out of court resolution being applied. The number of offences resulting in a charge increased 18% (15,527 offences resulted in a charge), with rape increasing by 23% and shoplifting by 81%. Out of Court disposals saw a slight decrease in the last year with only 32 fewer outcomes than the previous 12-month period.

5. OUR COMMITMENT TO SUSTAINABILITY

TVP introduced its first sustainability strategy in 2022. Initial sustainability data for financial year In 2024/25 TVP has:

- Carried out an internal audit against the Environmental Sustainability Strategy which identified opportunities for improvement particularly around governance as well as resourcing and communication.
- Started introducing electric vehicles into the fleet and charging infrastructure into the estate.
- Brought solar panels online, delivering more onsite renewable energy.
- Continued to progress decarbonised heating through air source heat pumps at a large refurbishment and a large construction project to meet sustainable targets known as BREEAM, working towards very good or excellent levels of achievement.
- Commenced work on an amended governance structure to support the embedding of the strategy.

- Increased resourcing including a Fleet Manager role (appointed) and agreed to recruit a Sustainability project delivery role which is to be progressed imminently.
- Improved access to monitoring data such as electricity and gas to support identification of issues to go live mid-2025.
- Continuing work to consider how TVP will transition its fleet from traditional fuels to alternative fuels such as electric.
- Commencement of Decarbonisation audits across TVP's property portfolio allowing for a prioritised programme of works to be developed.
- 2024/25 indicates an increase in consumption and emissions compared to the previous reporting year for building, transport and water but remains lower than the baseline. The strategic targets are due for completion in 2032. It is considered that meeting the 2032 targets remain achievable.

Available utility data is presented below against the following TVP target.

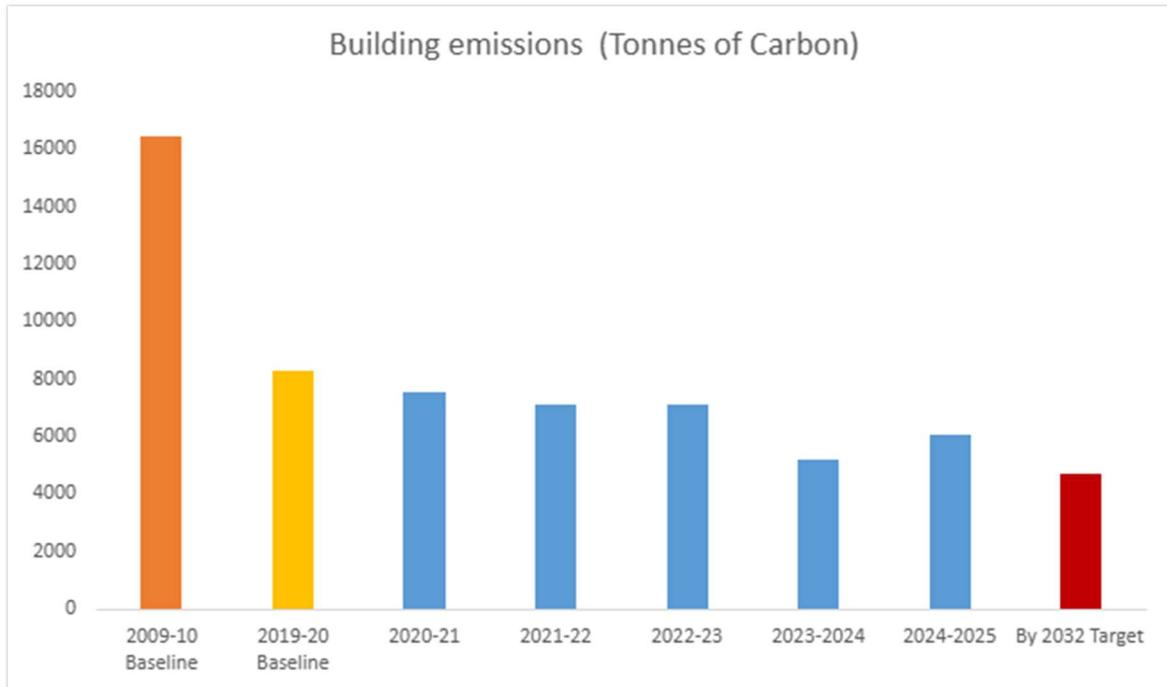
By 2032 TVP aim to reduce carbon emissions from buildings by a further 36% totalling an 85% reduction (from 2009/10 baseline).

In 2023/24 the carbon emissions from TVP's buildings were 10% away from meeting the 2032 target. In 2024/25 that increased by 18%. TVP is currently 28% away from meeting its 2032 emissions target for buildings in 2024/2025.

	2009-10 Baseline	2019-20 Baseline	2020-21	2021-22	2022-23	2023-24	2024-25
Electricity (kWh)	21,290,703	17,765,083	17,165,970	16,155,044	16,374,782	13,142,759	14,180,942

	2009-10 Baseline	2019-20 Baseline	2020-21	2021-22	2022-23	2023-24	2024-25
Mains gas (kWh)	26,907,724	17,363,546	17,366,373	17,303,314	16,980,693	12,281,617	15,634,014

Note: Consumption data continues to be collated and verified, however the overall finding will not change substantially but the actual reported figures may.



Reasons for the changes in utility consumption and emissions are:

- Increase in the number of in-person attendance at events such as meetings.
- Changeable weather impacting the heating season.
- Commissioning a new all electric large facility at Atlantic House, Reading, in preparation for occupation in 2025 as Reading's police base.

For this coming year areas of focus are:

- Revisit the Sustainability strategy and methodology for setting targets, to ensure it is fit for purpose and supports TVP to deliver its core purpose.
- Continue to embed governance changes.
- Development and delivery of decarbonisation programmes and projects around fleet and buildings.
- Improve monitoring and access to data to aid ongoing tracking and reporting of progress throughout the year and at year end.
- Continue to seek grants and funding to aid TVPs transition.

5. PEOPLE

Thames Valley Police has continued to deliver, and exceed on, the targets for recruiting additional police officers under the national Home Office Uplift Programme alongside additional growth from the PCC funded Neighbourhood Officers. This financial year we have recruited 356 police officers including 312 new recruits to policing and 44 trained officers. At 31st March 2025, the total headcount number of police officers, including our regional funded units, is 5,070 (this figure excludes external secondments).

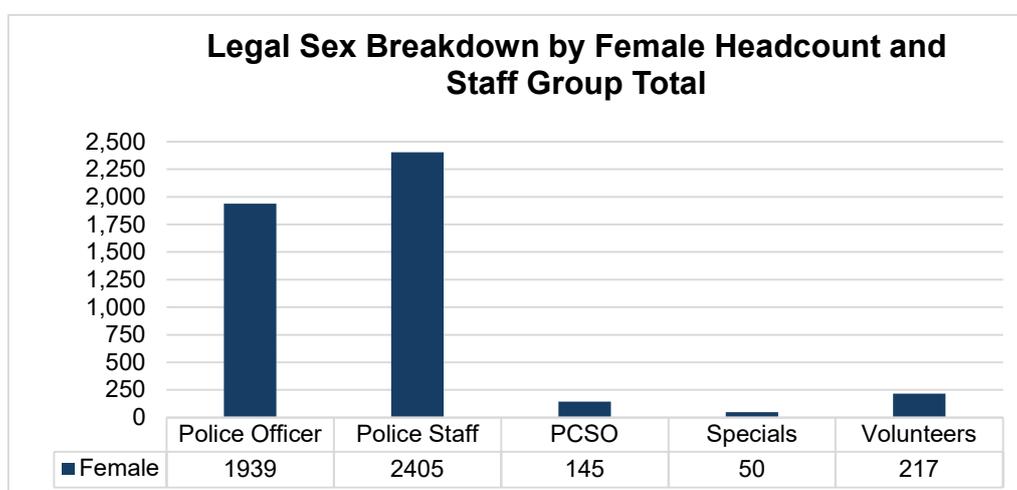
At the same time, the Force has continued to drive forward initiatives to attract and recruit to police staff, Special Constabulary and volunteer roles. Wider economic and labour market conditions, including shortfalls in skills, has resulted in recruitment challenges in some hard to fill roles including PCSOs. Targeted initiatives will continue to fill the vacant roles to meet agreed establishment levels. TVP's positive approach to flexible working, including hybrid working, continues to provide a greater level of flexibility for our workforce, supporting attraction and retention.

At 31st March 2025, Thames Valley Police employed 9,232 people in full and part time contracts. We also had 194 unpaid members of the Special Constabulary and 449 volunteers giving a total workforce of 9,875.

Below is the make-up of the workforce. This includes headcount of circa 850 officers and staff equating to circa 832 FTE who work in regional collaborated units such as the CT Policing South-East (CT PSE), Regional Prison Intelligence, SE Regional Organised Crime Unit (SEROCU), SE ROCU Collaboration, Regional Specialist Firearms and the Chiltern Transport Consortium (CTC) and external secondments.

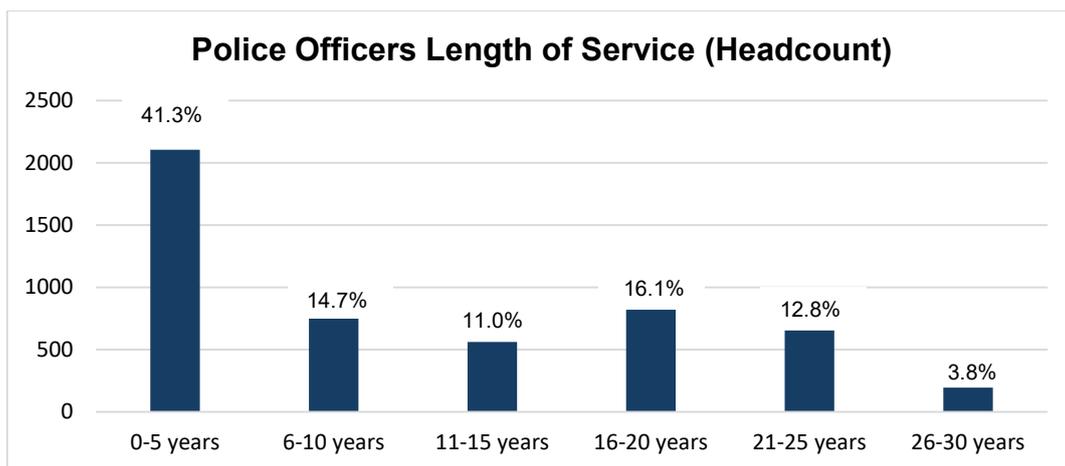
Category	Workforce	Full Time Equivalent
Police Officers	5,095	5,030
Police Staff	3,868	3,664
PCSO	269	259
<u>Paid employees</u>	<u>9,232</u>	<u>8,953</u>
Special Constabulary	194	N/A
Volunteers	449	N/A
TOTAL WORKFORCE	9,875	N/A

The following graph shows the Legal Sex breakdown for each type of employee and volunteer, for example that there are 1,939 female police officers, making up 38% of all police officers



This financial year the percentage of female officers and staff remains unchanged at 38% and 62% respectively.

The following graph shows the length of service for police officers. Thames Valley Police has a relatively “young” workforce in terms of experience with 67% of officers having less than 15 years’ service, as shown below. Compared to the 2023/24 financial year, there has been a small decrease of 2%, but figures still represent a relatively new in-service headcount. Forty-One percent of officers have less than five years’ service, reflecting the increased growth in officer establishment numbers and successful recruitment activity since the national uplift programme began in 2019.



The following table shows the workforce ethnicity representation by headcount. Please note that these numbers include seconded officers, who are excluded from the workforce numbers above.

The following table shows the ethnic makeup of the workforce, please note that these numbers include seconded Officers which are excluded from the workforce numbers above.

ETHNICITY	Police Officer	Police Staff	PCSO	Specials	Volunteers	All Staff Groups
White	4,596	3,410	236	165	392	8,799
Asian	137	137	10	17	15	316
Black	29	46	0	3	7	85
Mixed	134	67	7	6	9	223
Other	17	13	1	2	2	35
Unknown/Prefer not to say	182	195	15	1	24	417
TOTAL	5,095	3,868	269	194	449	9,875

The following table shows the ethnic makeup of the workforce compared to the prior year.

ETHNICITY	2023/24		2024/25	
	All Staff Groups	%	All Staff Groups	%
White	8,775	89	8,799	89
Asian	307	3	316	3
Black	84	1	85	1
Mixed	219	2	223	2
Other	35	0	35	0
Unknown/Prefer not to say	408	4	417	4
TOTAL	9,828		9,875	

In line with Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328) the Chief Constable has an obligation to report annually on paid time off provided to trade union representatives for trade union duties and activities. The following details relate to 2024/25. There was the equivalent of 18.5 FTE trade union representatives, and the total cost of facility time represents 0.06% of the total pay bill.

7. OUTLOOK

Medium Term Financial Plan

The PCC (on behalf of the Group) approved the financial plans for 2025/26 in January 2025 and they are available on the PCC's website in the Budget Book at [Budget - Thames Valley PCC \(thamesvalley-pcc.gov.uk\)](https://www.thamesvalley-pcc.gov.uk).

The revenue budget for 2025/26 includes provision for maintaining the national police uplift programme (PUP) increase in officer numbers which gave TVP an additional 728 officers (excluding regional), together with an additional 80 Officers funded through the increase in Council Tax provision.

A high-level summary of the Medium-Term Financial Plan (MTFP) is provided below. This includes all expenditure to be incurred by the CC and the PCC, as well as all resources to be received by both legal entities.

	Estimated Budget 2025/26 £000	Estimated Budget 2026/27 £000	Estimated Budget 2027/28 £000	Estimated Budget 2028/29 £000
Expenditure				
Opening Budget	556,518	594,943	612,809	631,152
Inflation				
-General	1,855	820	519	522
-Pay	26,736	10,940	11,375	13,813
-Specific	1,271	2,880	2,980	3,086
Productivity Savings	(15,400)	(4,231)	(3,866)	(3,589)
Growth	17,754	2,257	2,336	2,000
Reserve Funding	6,209	5,200	5,000	3,000
Revised Budget Requirement	594,943	612,809	631,152	649,985
Funded By				
Opening Budget	(556,518)	(594,943)	(612,809)	(631,152)
Council Tax	(19,513)	(15,055)	(15,504)	(15,965)
Government Grants	(18,911)	(2,811)	(2,839)	(2,868)
Revised Funding	(594,943)	(612,809)	(631,152)	(649,985)
Annual Shortfall / (Surplus)	0	0	0	0
Cumulative Shortfall / (Surplus)	0	0	0	0

The above figures are based on the approved council tax increase of £14 for 2025/26. This was approved by the Police and Crime Panel on 24th January 2025. Future years show assumed increases in subsequent years at £10 per annum. This is only a planning assumption, and the PCC will set Council Tax each year.

As can be seen from the above, based on current assumptions, the plan is balanced in 2025/26 with the delivery of identified savings of £15.4m. The following years are balanced with target productivity savings totalling £11.7m over the remaining period of the MTFP, these savings have yet to be identified and will be the focus moving forward.

All the assumptions underpinning the current MTFP will be revisited and updated in coming months as work is undertaken on the next budget cycle for 2026/27. Please note that the above figures do not include the recently announced Neighbourhood Policing Grant which for Thames Valley Police is c£6m (68 NHP Officers).

2025/26 will be a financially tough year with significant unknown costs particularly in relation to annual pay awards, the higher employer NI rate, the continued impact on cost-of-living and the unprecedented recent high inflation rates, although we are seeing some signs of recovery.

The Police service, both nationally and locally, is going through a period of reform to adjust to the financial challenges created by constrained resources and respond to the increasing complexity and quantum of crime. This reform requires investment in well-trained officers and staff, as well as the new technologies that will facilitate the change in the way policing services are delivered. This investment increases the financial pressures and will be carefully managed by the force and considered as part of the Force Review and future Medium Term Financial Plans.

The productivity strategy continues to delivery savings with a focus on the Force review and the ongoing work to identify new areas to reconsider how and what we do but will ensure we continue to focus the maximum level of resources on our priorities.

Medium Term Capital Plan

The Medium-Term Capital Plan (MTCP) costing £262.2m million over the five-year period 2024/25 to 2028/29 was approved by the PCC (on behalf of the Group) in January 2025. Overall, this will provide the Force with appropriate infrastructure and assets to deliver innovative policing strategies with fewer resources.

	Revised 2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total 2024/25 to 2028/29 £000
Property	34,546	39,299	26,458	31,094	40,105	171,501
Technology & Business Change	5,783	5,805	3,858	20,054	4,067	39,566
Grants	11,363	0	0	0	0	11,363
Equipment	712	1,629	1,051	373	306	4,072
Vehicles	5,515	5,913	7,095	8,088	9,059	35,670
Capital Project Total to be Financed	57,919	52,646	38,462	59,609	53,537	262,173

The MTCP will be funded through a combination of capital grants, revenue contributions, capital receipts, reserves and borrowing. Key focuses of the MTCP are:

- To ensure the property estate remains fit for purpose and effectively utilised, linking in with the Smart ways of working principles, identifying opportunities to streamline assets and develop the estate infrastructure; maintaining core sites, improving core training facilities and progressing the Asset Management Plan.
- To ensure provision is made for ICT & Business Change Technology, to maintain and develop the existing infrastructure and invest in the core technologies required to provide innovative digital policing services.
- The maintenance, development and replacement of other core assets (e.g. Vehicles, and Communication Infrastructure) to maximise the advantage of new technology and reflect legislative changes.

Financial Resilience

TVP's financial resilience is evidenced and supported by:

- Strong governance arrangements, as detailed in the Corporate Governance Framework
- Efficient and effective internal audit service that reports directly to the Joint Independent Audit Committee.
- A track record of delivering productivity savings, with further savings of £27.1 planned over the next four years.
- TVP's Medium Term Financial Plan and Medium-Term Capital Plan set out balanced budgets for 2025/26 and the following three years supported by reasonable, if challenging, assumptions. They are published in the Budget Book on the PCC's website.
- Appropriate levels of reserves, in particular building up reserves to support long term estates capital requirements.
- Borrowing costs are increasing, but relatively low at 2% of Net Revenue Expenditure by 2028/29.

The most significant financial risks faced by TVP are inflation, funding and the long-term need for investment in property. With > 80% of revenue expenditure on people costs, the cost-of-living crisis and the government's response, will have a direct impact on TVP. Despite challenges faced, we continue to invest in recruiting new officers, and this year we met our target of recruiting new officers to the force to achieve 5,095 officers at the end of the year.

LINKS

For more detailed information please refer the following documents:

- Police and Criminal Justice Plan <https://www.thamesvalley-pcc.gov.uk/police-and-criminal-justice-plan/>
- Strategic Plan <https://www.thamesvalley.police.uk/police-forces/thames-valley-police/areas/au/about-us/our-commitment/>
- Crimefighters Strategy <https://www.thamesvalley-pcc.gov.uk/our-work/crimefighters/>
- Budget Book <https://www.thamesvalley-pcc.gov.uk/our-information/finances/budget/>



Martin Thornley
Chief Finance Officer and Deputy Chief Executive
19th February 2026

EXPLANATION OF ACCOUNTING STATEMENTS

The Accounts and Audit Regulations 2015 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.

Statement of Accounts

The **Auditor's Report** gives the auditor's opinion on whether the accounts provide a true and fair view of the financial position and operations for the year.

Statement of Responsibilities sets out the respective responsibilities of the PCC and his chief finance officer

The **Core Financial Statements** are:

The Movement in Reserves Statement is a summary of the changes to the Group's reserves over the course of the year. Reserves are divided into "usable" cash reserves which can be invested in capital projects or service improvements and "unusable" accounting reserves which must be set aside for specific purposes. Total usable reserves have decreased from £120.667 million on 1st April 2024 to £109.125 million on 31st March 2025.

The **Comprehensive Income and Expenditure Statement (CIES)** record all of the Group's (and PCC) income and expenditure for the year. This presentation of information is in line with CIPFA guidance and is commensurate with the in-year internal reporting to management of income and expenditure. (See the outturn position table on page 6 for more detail of the in-year reporting)

The Group CIES shows an accounting deficit of £120.104 million however this statement should not be viewed in isolation. To gain a true understanding of the Group's financial performance for the year, it is necessary to view the Movement in Reserves Statement which shows how this accounting deficit is managed in the balance sheet. Following the police officer pension fund liabilities and accounting adjustments and transfers to revenue reserves, there is an increase £0.26 million in the general reserve

The **Balance Sheet** is a snapshot of the Group's assets, liabilities, cash balances and reserves at the year-end date.

The **Cash Flow Statement** shows the reasons for changes in the Group's cash (and cash equivalents) balances during the year, and whether that change is due to operating activities, new investment or financing activities (such as repayment of borrowing and other long term liabilities).

The **Group Accounts** provides the consolidated accounts of the PCC and its subsidiary, the Chief Constable.

The **Supplementary Financial Statements and Other Information** are:

The **Annual Governance Statement** explains the governance processes and procedures in place to enable the PCC and Group to carry out their functions effectively. The AGS highlights the Group's internal control environment, comments on its effectiveness and identifies issues for future work.

The **Notes** to these financial statements provide more detail about the Group's accounting policies and individual transactions.

The **Police Pension Fund Accounts** sets out the financial position of the Police Pension Fund as at 31st March 2025

A **glossary of key terms** can be found at the end of this publication.



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR THAMES VALLEY

Opinion

We have audited the financial statements of the Police and Crime Commissioner for Thames Valley for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

We have audited the financial statements of the Police and Crime Commissioner for Thames Valley for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Police and Crime Commissioner for Thames Valley and Group Movement in Reserves Statement;
- Police and Crime Commissioner for Thames Valley and Group Comprehensive Income and Expenditure Statement;
- Police and Crime Commissioner for Thames Valley and Group Balance Sheet;
- Police and Crime Commissioner for Thames Valley and Group Cash Flow Statement;
- Police Pension Fund Account Statements; and
- related notes 1 to 49, including material accounting policy information and including the Expenditure and Funding Analysis.

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

In our opinion the financial statements:

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

Basis for opinion

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

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

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR THAMES VALLEY

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 Police and Crime Commissioner and the Group's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Police and Crime Commissioner and the Group's ability to continue as a going concern.

Other information

The other information comprises the 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 this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR THAMES VALLEY

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended); or
- we are not satisfied that the Police and Crime Commissioner and the Group have 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 these respects

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 28, the Chief Finance Officer is responsible for the preparation of the 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, and 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 Police and Crime Commissioner's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Police and Crime Commissioner and the Group either intend to cease operations, or have no realistic alternative but to do so.

The Police and Crime Commissioner and the Group are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR THAMES VALLEY

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the Group and determined that the most significant are:
 - o Local Government Act 1972,
 - o Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) [applicable to authorities with a statutory obligation to maintain a separate collection fund],
 - o Local Government Act 2003,
 - o The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
 - o The Local Audit and Accountability Act 2014 (as amended),
 - o The Accounts and Audit Regulations 2015,
 - o The Police Reform and Social Responsibility Act 2011,
 - o Anti-social behaviour, Police and Crime Act 2014,
 - o Police Pensions scheme regulations 1987,
 - o Police Pensions regulations 2006; and
 - o Police Pensions regulations 2015.

In addition, the Police and Crime Commissioner and the Group have to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, procurement and health & safety.

- We understood how Police and Crime Commissioner and the Group are complying with those frameworks by understanding the incentive, opportunities and motives for noncompliance, including inquiring of management, head of internal audit those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Police and Crime Commissioner's and the Group's committee minutes, through enquiry of

employees to confirm Police and Crime Commissioner and the Group policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

- We assessed the susceptibility of the Police and Crime Commissioner's and the Group's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified inappropriate capitalisation of revenue expenditure, inappropriate revenue recognition of other income – recharges and collaboration and management override of controls to be our fraud risks.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Police and Crime Commissioner's and the Group's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.
- To address our fraud risk of inappropriate revenue recognition of other income – recharges and collaboration, we tested other income of recharges and collaboration applying lower testing thresholds.

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

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

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

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Police and Crime Commissioner 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 Police and Crime Commissioner's and the Group's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delay in Certificate

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of the Police and Crime Commissioner for Thames Valley.

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

Use of our report

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

Andrew Brittain
Ernst & Young LLP

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Reading
19th February 2026

iPCC's Responsibilities

The PCC is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Organisation, that officer is the Chief Finance Officer and Deputy Chief of Staff;
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

I approve this Statement of Accounts on behalf of the PCC for Thames Valley



Matthew Barber
PCC for Thames Valley
19th February 2026

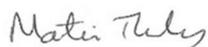
Chief Finance Officer

The PCC's Chief Finance Officer is responsible for the preparation of the Group Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code').

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

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

In my opinion, the Statement of Accounts gives a true and fair view of the financial position of the PCC and the Group accounts for Thames Valley Police at the accounting date and its income and expenditure for the year ended 31 March 2025



Martin Thornley
Chief Finance Officer and Deputy Chief Executive
19th February 2026

Group Movement in Reserves Statement for the years ended 31st March 2024 and 2025

For full details of the movement on general balances, please see note 25

	General Fund £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
note	25	8	25	25	25	26	
Balance at 31st March 2023	19,931	85,436	3,737	6,317	115,421	(3,110,383)	(2,994,962)
<u>Movement in reserves during 2023/24</u>							
Total Comprehensive Expenditure and Income	(101,184)	0	0	0	(101,184)	14,276	(86,908)
Adjustments between accounting basis & funding basis under regulations	112,767	0	(18)	(6,317)	106,432	(106,432)	0
Net increase/decrease before transfers to earmarked reserves	11,583	0	(18)	(6,317)	5,248	(92,156)	(86,908)
Transfers to/from (-) earmarked reserves	(15,986)	15,986	0	0	0	0	0
Increase/decrease (-) in Year	(4,403)	15,986	(18)	(6,317)	5,248	(92,156)	(86,908)
Balance at 31st March 2024 carried forward	15,527	101,422	3,719	0	120,669	(3,202,539)	(3,081,870)
<u>Movement in reserves during 2024/25</u>							
Opening Balance Adjustment (IFRS 16)	0	0	0	0	0	(2,826)	(2,826)
Total Comprehensive Expenditure and Income	(120,104)	0	0	0	(120,104)	447,890	327,787
Adjustments between accounting basis & funding basis under regulations	108,612	0	(50)	0	108,562	(108,611)	(50)
Net increase/decrease before transfers to earmarked reserves	(11,492)	0	(50)	0	(11,542)	336,453	324,911
Transfers to/from (-) earmarked reserves	11,752	(11,752)	0	0	0	0	0
Increase/decrease (-) in Year	260	(11,752)	(50)	0	(11,542)	336,453	324,911
Balance at 31st March 2025 carried forward	15,787	89,671	3,669	0	109,127	(2,866,085)	(2,756,959)

Group Expenditure and Funding Analysis Disclosure Note

The Expenditure and Funding Analysis is a disclosure note that shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes by the Chief Constable's Management Team. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. See note 5 for more details. Please note that this is not a primary statement

	2023/24			2024/25		
	Net expenditure charged to general fund £000	Adjustments between Accounting basis & Funding basis £000	Net expenditure in the CIES £000	Net expenditure charged to general fund £000	Adjustments between Accounting basis & Funding basis £000	Net expenditure in the CIES £000
PCC	11,988	6,626	18,615	25,850	(475)	25,375
TVP operational budgets under the direction & control of the Chief Constable						
Employees	419,407	112,715	532,122	453,381	117,375	570,756
Premises	24,715	0	24,715	27,009	0	27,009
Transport	26,289	0	26,289	28,151	0	28,151
Supplies & Services	86,098	0	86,098	82,515	0	82,515
Third Party Payments	33,067	0	33,067	20,174	0	20,174
Capital Charges	12,991	(561)	12,430	10,115	2,927	13,042
Specific Income	(211,660)	0	(211,660)	(208,025)	0	(208,025)
Cost of Services	402,895	118,780	521,676	439,170	119,828	558,998
Other income & expenditure	(414,478)	(6,013)	(420,491)	(427,678)	(11,216)	(438,894)
(Surplus) or Deficit on provision of services	(11,583)	112,767	101,169	11,492	108,612	120,104
Opening General Fund Balance	(19,927)	0	0	(15,524)	0	0
Add (surplus) or deficit	(11,583)	0	0	11,492	0	0
Transfers to/from (-) reserves & General Balances	15,986	0	0	(11,752)	0	0
Closing General Fund Balance	(15,524)			(15,784)		

Group Comprehensive Income and Expenditure Statement 2024/25

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

	notes	2023/24			2024/25		
		Gross expenditure	Gross Income	Net Expenditure	Gross expenditure	Gross Income	Net Expenditure
PCC		25,986	(7,372)	18,615	32,166	(6,791)	25,375
TVP operational budgets under the direction & control of the Chief Constable							
Employees		532,122	0	532,122	570,756	0	570,756
Premises		24,715	0	24,715	27,009	0	27,009
Transport		26,289	0	26,289	28,151	0	28,151
Supplies & Services		86,098	0	86,098	82,515	0	82,515
Third Party Payments		33,067	0	33,067	20,174	0	20,174
Capital Charges		12,430	0	12,430	13,042	0	13,042
Specific Income		0	(211,660)	(211,660)	0	(208,025)	(208,025)
Group Cost of Services		740,707	(219,032)	521,675	773,814	(214,816)	558,998
Other operating Expenditure:							
(Gains)/loss on disposal of fixed assets	9a	0	0	192	0	0	(483)
Financing & investment income & expenditure:							
Interest Payable	9b	1,641	0	1,641	1,536	0	1,536
Impairment loss allowance	9b	0	0	0	0	0	0
Pensions Interest Cost	9b	151,216	0	151,216	160,498	0	160,498
Interest & Investment Income	9b	0	(9,400)	(9,400)	0	(9,819)	(9,819)
ROU Asset	9b	0	0	0	0	20	20
Taxation & non-specific grant income	9c	0	(564,139)	(564,139)	0	(590,648)	(590,648)
(Surplus) /deficit on provision of service				101,184			120,104
(Surplus)/deficit on revaluation of fixed assets	14	8,064		8,064		3,480	3,480
Remeasurement of net defined liability		6,212		6,212	444,410		444,410
Total other comprehensive Income and Expenditure		14,276		14,276	444,410	3,480	447,890
Total comprehensive Income & Expenditure				115,460			567,994

The Balance Sheet for the Group

This shows the value at 31st March of the assets and liabilities recognised by the Group. Net assets are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the capital receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

31/03/2024 £000		Note	31/03/2025 £000
	Long Term Assets		
320,924	Property, Plant and Equipment	14	334,302
0	Right of Use Assets	14	11,109
4,307	Intangible assets	16	2,653
696	Long term debtors	19	1,288
371	Asset related to defined benefit pension schemes PCC		0
326,299	Total Long Term Assets		349,352
	Current Assets		
119,570	Short term investments	17	112,810
3,373	Inventories	18	2,780
104,022	Short term debtors	19	90,016
29,605	Cash and cash equivalents	20	22,508
480	Assets held for sale	21	480
257,050	Total Current Assets		228,595
	Current Liabilities		
(2,045)	Short term borrowing	17	(1,261)
(126,602)	Short term creditors	22	(113,241)
0	Short term Right of Use Asset Liability	14	(130)
(888)	Revenue Grants Received in Advance	28	(357)
(5,073)	Provisions	23	(4,024)
(6,642)	Accumulated absences	26	(7,069)
(141,250)	Total Current Liabilities		(126,082)
	Long Term Liabilities		
(3,994)	Provisions	23	(4,481)
(51,232)	Long term borrowing	17	(50,278)
(3,467,347)	Liability related to defined benefit pension schemes	32	(3,139,595)
0	Long term Right of Use Liability	14	(13,825)
(901)	Donated assets account		0
(540)	Capital grants received in advance	28	(660)
(3,524,013)	Total Long Term Liabilities		(3,208,838)
(3,081,914)	Net Assets / (Liabilities)		(2,756,973)
120,667	Usable reserves	25	109,125
(3,202,580)	Unusable reserves	26	(2,866,098)
(3,081,914)	Total Reserves		(2,756,972)

These financial statements replace the unaudited financial statements confirmed by Martin Thornley Chief Finance Officer on 19th February 2026.

Martin Thornley

The Cash Flow Statement for the Group

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

	Note	At 31 March 2024 £000	At 31 March 2025 £000
Net (surplus)/deficit on the provision of services		101,184	120,104
Adjust net (surplus)/deficit for non-cash movements	33	(152,037)	(140,461)
Adjust for items included in (surplus)/deficit that are investing and financing activities		2,977	3,725
Net cash flows from Operating Activities	33	(47,881)	(16,632)
Investing Activities	33	30,368	22,593
Financing Activities	33	1,638	1,127
Net increase (-) or decrease in cash and cash equivalents		(15,875)	7,097
Cash and cash equivalents at the beginning of the reporting period	20	(13,732)	(29,605)
Cash and cash equivalents at the end of the reporting period	20	(29,605)	(22,508)



Notes to the Accounts

GROUP GENERAL ACCOUNTING POLICIES

1. General principles

These financial statements have been prepared in accordance with the Code of Practice (the code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). The accounts have been compiled in accordance with the code, except that it has departed from the code in respect of the treatment of certain types of inventories in order to achieve a true and fair presentation. (See note 18 for more details)

Going Concern basis of preparation

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the entity will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue. This assessment is based on statutory nature of the services provided by the organisation. It is expected that the services would continue to be delivered by a public authority even if the current structures were changed. Management is not aware of any prospective changes to legislation or government policy that would undermine this assessment.

Notwithstanding this statutory basis for the going concern assessment, management have also separately assessed, and are content that, the organisation is financially sustainable, with adequate reserves and sound financial plans including budgets that are realistic and deliverable. The Group regularly reviews and updates its Medium-Term Financial Plan (see Narrative Statement section 7), incorporating known factors that will impact it, and assumptions for the inevitable risk and uncertainty that accompanies any financial forecast. In addition, the Group has a reserves policy and approach to delivering savings, combined with regular monitoring and reporting. This assurance is recorded in the Annual Governance Statement, in financial sustainability and financial management reviews presented to JIAC; and in the budget and medium term financial plans, in particular the Financial Plans Recommendation and Strategy.

Investment balances and cash flow are managed at a Group level. Management produce a rolling 12 month cashflow forecast to give more immediate assurance. The Group's financial forecast for 2024/25 has been reviewed alongside assumptions for 2025/26 and a prudent profile of cashflows to support management in assessing and confirming the Group's financial sustainability to the 28th February 2027. The planned timing of cash flows, in conjunction with the reserves balances, means that that the Group can meet its operational obligations over the period.

PCC, Group and Chief Constable

Following the passing of the Police Reform and Social Responsibility (PRSR) Act 2011, Thames Valley Police Authority was replaced on 22nd November 2012 with two corporation sole bodies, the Police and Crime Commissioner (PCC) for Thames Valley and the Chief Constable. Both bodies are required to prepare separate Statement of Accounts. The PCC is also required to produce Group accounts.

The term 'Group' is used to indicate individual transactions and policies of the PCC and Chief Constable for the year ended 31 March 2025. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the PRSR Act 2011.

The Financial Statements included here represent the accounts for the PCC and Group. The financial statements cover the 12 months to the 31 March 2025.

Some figures within tables may not sum up exactly due to rounding differences when stating values to the nearest thousand pounds.

The notes relating to specific financial statement lines include the corresponding accounting policy. As a result there is not a separate principal accounting policies note but the section below details general accounting policies where there are not accompanying notes.

2. 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:

- Fees, charges and rents due are accounted for as income at the date the Group provides the relevant goods or services;
- Any income received under contract is recognised in accordance with the performance obligations in the contract.
- Where income and expenditure has been recognised (using estimates when appropriate) but cash has not been received or paid, a debtor or creditor for the relevant year is recorded in the Balance Sheet.

3. Charges to revenue for non-current assets

The PCC's and Group's CIES is charged with the following amounts, to record the real cost of holding fixed assets during the year.

- Depreciation attributed to the assets used by the relevant service.
- Revaluation gains or losses on land and buildings
- Amortisation of intangible assets

The Group is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. The Minimum Revenue Provision (MRP) is set on a prudent basis as determined by the Group in accordance with statutory guidance.

4. Government grants and other contributions

Whether paid on account, by instalments or in arrears, revenue government grants and third party contributions are recognised as income at the date that the PCC satisfies the conditions of entitlement to the grant / contribution.

The grant / contribution is recognised within the CIES as income when the conditions of entitlement are known to be satisfied. If the grant / contribution has been received in advance of need then the amount is transferred to a Grant in Advance account.

Grants to cover general expenditure (e.g. Police Grant) are credited to the CIES within the provision of services.

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

5. Heritage assets

A heritage asset is one with "historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture". The Group will recognise any heritage asset that is valued in excess of £500,000. As at 31st March 2025, the Group does not recognise any heritage assets on its balance sheet. Whilst the Group does display various items of historical interest in the force museum, the cost and effort of obtaining a valuation for these objects would be more than the perceived worth of the assets.

6. Jointly controlled operations and jointly controlled assets

Jointly controlled operations are activities undertaken by the Group in conjunction with other ventures 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 that it controls and the liabilities that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Group and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Group accounts for only its share of the jointly controlled assets, the liabilities, and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

7. Overheads and support services

In line with CIPFA's Police Objective Analysis, the costs of support services are fully allocated to the Group's services.

8. Reserves

The PCC maintains reserves that are either earmarked for specific purposes or held for accounting adjustments. Earmarked reserves will be established from time to time to meet specific expected revenue or capital costs as determined by the PCC. The PCC also maintains reserves to finance future commitments, unforeseen circumstances, fluctuations in annual grant settlements and council tax precepts and emergency expenditure which cannot be contained within the approved budget. The reserves strategy is that general balances continue between 2.5% and 3% of net budget expenditure.

Reserves are created by appropriating amounts in the CIES. When expenditure to be financed from a reserve is incurred, it is charged to the CIES against the Net Cost of Services. The reserve is appropriated back in the Movement of Reserves Statement so that there is no net charge for the expenditure.

Details of movements on usable revenue reserves during the year appear as per note 25.

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits and other technical accounting standards and they do not represent usable resources for the PCC – see note 26.

9. VAT

Income and expenditure excludes any amounts related to VAT, as VAT collected is payable to HM Revenue and Customs and the vast majority of VAT paid is recoverable from it.

Specific Accounting Policies

- **EVENTS AFTER THE BALANCE SHEET DATE**

When an event occurs after the balance sheet date which provides evidence of conditions that existed at the balance sheet date, an adjusting event occurs and the amounts recognised in the Statement of Accounts will be adjusted to take into account any values that reflect the adjusting event. Where an event occurs after the Balance sheet date that is indicative of conditions that arose after the balance sheet date, the amounts recognised in the statement of accounts are not adjusted but disclosed as a separate note to the accounts. Events after the balance sheet date are reflected up to the date when the statement of accounts is authorised for issue and published.

- **TERMINATION BENEFITS**

Termination benefits are amounts payable as a result of a decision by the Group to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are charged as an expense in the cost of services in the Comprehensive Income and Expenditure at the point in which the Group can no longer withdraw the offer of termination benefits.

- **PROPERTY, PLANT AND EQUIPMENT**

The de-minimus level policy to capitalise expenditure is as follows:

Asset Type	De-minimus £000
Buildings (including PFI)	100
Leased Buildings	10
Vehicles	none
ICT (Total Collaborative project value)	50
Intangible assets (Total Collaborative project value)	50
ESMCP devices	none
Equipment	25
Assets funded by capital grant	none

Schemes with strategic importance (e.g. vehicles, force wide ICT projects, desktop PCs etc) may also be capitalised.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the Group and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the balance sheet at cost.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are carried in the balance sheet using the following measurement bases:

- assets surplus to requirements – measured at fair value, estimated at highest and best use from a market participant's perspective.
- dwellings, other land and buildings, vehicles, plant and equipment – lower of net current replacement cost or net realisable value in existing use.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the balance sheet at current value are revalued where there have been material changes in the value and as minimum revaluations are carried out every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognised unrealised gains.

Disposals

When an asset is disposed of, sale proceeds are transferred to the usable capital receipts reserve and the gain or loss on disposal is shown in the CIES.

Component assets

Where an item of PPE asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The Group has set a policy that it will separately account for components of buildings that have a value in excess of £500,000.

The components that will be identified and separately depreciated are as follows:

- Land
- Building fabric
- Mechanical and engineering services
- Roof
- Structures and elevations
- Internal fabric
- External areas

The component must be valued at a minimum of £200,000 or 10% of the value of the parent asset (whichever is greater) in order to be recognised.

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible write down is estimated to be material, the recoverable amount of the asset is determined and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement (CIES). Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, with an adjustment for depreciation that would have been charged if the loss had not been recognised

Depreciation

This is provided for all assets with a useful finite life, by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use, on a straight-line basis.

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- Vehicles, - a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer. Once the vehicle reaches its residual value we stop depreciating.

Where an asset has major components with different estimated useful lives, these are depreciated separately.

Grants and contributions

Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the Group has not satisfied. In that event the amount subject to condition is transferred to the capital grants receipts in advance account. Where the conditions of the grant / contribution are satisfied, but expenditure for which grant is given has not yet been incurred, then such sums will continue to be transferred to the capital grants unapplied reserve.

- **INTANGIBLE ASSETS**

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Group (e.g. software licences) are capitalised where it will bring benefits to the Group for more than one financial year. Internally generated assets include complex system costs and IT development costs. These are also capitalised where it will bring benefits to the group for more than one year. The balance is amortised to the CIES on a straight line basis over the economic life of the investment (over 5 years) to reflect the pattern of consumption of benefits.

- **FINANCIAL INSTRUMENTS**

Financial liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings, this means that the amount presented in the balance sheet is the outstanding principal repayable plus accrued interest. Interest charges to the CIES is the amount payable for the year according to the loan agreement.

Financial assets

Financial assets held by the PCC comprise loans and receivables, which are assets that have fixed or determinable payments but are quoted in an active market. Financial assets are categorised based on a classification and measurement approach that reflects the business model for holding the financial asset and their cashflow characteristics. All financial assets held by the PCC are held solely for payment of principal and interest and are therefore measured at amortised cost. Interest and other income received is based on the capital value of their investment multiplied by the rate of interest. For most of the loans that the PCC has made, the amount presented in the balance sheet is the outstanding principal in the loan agreement plus accrued interest. The loans made by the PCC are short term investments consisting of fixed term deposits.

- **INVENTORIES**

The Group holds stocks of uniforms, vehicle equipment, personal protective equipment (PPE) and other operational equipment. All stocks are valued at purchase price. This is not consistent with IAS2 which requires stocks to be valued at the lower of cost or net realisable value. However, net realisable value for many stock items such as uniforms would be negligible, therefore, to comply with IAS2 would significantly understate the value to the Group of the assets held.

- **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 shall include instruments placed in instant access call accounts and money market funds which are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

- **ASSETS HELD FOR SALE**

Non-current assets are classified as Held for Sale only if they meet all of the following criteria:

- The asset must be available for immediate sale in its present condition.
- The sale must be highly probable. This means the appropriate level of management within the Group must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The asset is re-valued immediately before reclassification and then carried at the lower of carrying value and fair value less costs to sell. Fair Value for Assets Held for Sale is the market value.

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

Assets Held for Sale are not depreciated.

- **PROVISION**

Provisions are made where an event has taken place that gives the Group an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service revenue account in the year that the Group becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made they are charged to the provision set up in the Balance Sheet.

- **CONTINGENT ASSETS AND LIABILITIES**

The Group recognises material contingent assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the Group's control.

Leases

- **Initial application of IFRS 16 in 2024/25**

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2024. IFRS 16 replaced IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

- **The Group as lessee**

For leases that had been classified as operating leases, and therefore charged to expenses rather than recognised on the Balance Sheet, a lease liability was established on 1 April 2024 equal to the present value of future lease payments discounted using the PWLB borrowing rate. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments

and deferred lease incentives recognised in the CIES immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2024 or for leases where the underlying assets had a value below £10,000. No adjustments were made in respect of leases previously classified as finance leases.

- **The Group as lessor**

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

- **Leases Accounting Policy**

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease.

The term of the lease is determined using the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which is reasonably certain to be exercised.

The Group as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, we recognise a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term (dilapidations).

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the PWLB annuity rate is applied that relates to the length of the lease term.

We do not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £10,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

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

Where land and buildings assets are revalued, current values in existing use are determined as follows:

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

Leased plant and machinery and furniture and fittings are shorter-term leases and so the cost model is applied and these are measured at depreciated at historic cost.

We subsequently measure the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

Dismantling, removal and restoration costs will not apply to all leases. If a lease has 30 years or more to run we will not be including these costs. For leases where they are relevant, they will not necessarily be specified in the lease but can be implicit. Relevant leases will be categorised, the costs will be calculated using a blended rate and floor area. For more specific complexities a bespoke approach will be applied.

Depreciation

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

Revaluation gains/losses

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

Impairments

Impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

The Group as a lessor

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

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are

added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Private Finance Initiatives and similar contracts

PFI contracts are agreements to receive services, where the responsibility for making available the PPE needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI Scheme at Abingdon, the Group carries the fixed assets used under this contract on its Balance Sheet.

The initial recognition of these fixed assets is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as PPE owned by the Group.

The amount payable to the PFI operator is analysed into three elements:

- fair value of the services received during the year – debited to the Income and Expenditure Account
- finance cost – an interest charge of 8.3% on the outstanding Balance Sheet liability, debited to interest payable in the Income and Expenditure Account.
- payment towards liability – applied to write down the balance Sheet liability towards the PFI operator.

Property Plant and Equipment (PPE)

The assets used to provide these policing services at Abingdon are recognised on the PCC's Balance Sheet. Movements in their value are detailed in the analysis of the Movement on the PPE balance in Note 14.

Payments

The PCC makes an agreed payment which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standard in any year but is otherwise fixed.

The PCC receives an annual grant from the Government to help finance these payments. This grant was initially calculated on a reducing balance basis over the 30-year contract term but, in 2005, it was converted to an annuity grant for the remaining 25 years of the contract. The PCC will receive grant income of £1.032m in each of the next 5 years, with a small residual payment of £0.043m in year 6.

- **PENSIONS**

Post employment benefits

The Group operates three pension schemes for police officers and a single scheme for police staff.

Police Officers

The Police Pension Scheme (PPS) is a contributory occupational pension scheme, governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976. The 2006 Police Pension Scheme (NPPS) which started on 1 April 2006, is a contributory occupational pension scheme governed by the Police Pension Act 1976 (as amended by the Police Pension Regulations 2007). The Police Pension Scheme 2015 (PPS 2015) which started on 1st April 2015 is also a contributory occupational pension scheme governed by the Police Pension Act 1976 (as amended by the Police Pension Regulations 2015) Officers make a contribution from their pensionable pay, based on salary bandings. The employee's contribution is set nationally by the Home Office and is subject to triennial revaluation. A Pension Fund was set up on 1 April 2006 to administer all three schemes.



This is an unfunded scheme administered by the Chief Constable, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than amounts payable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. In the unlikely event that the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group which must then repay the amount to central government

The PPS, NPPS and 2015 scheme are defined benefit schemes paid from revenue (without managed pension assets). Accrued net pension liabilities have been assessed on an actuarial basis in accordance with IAS 19 Employee Benefits, the net liability and a pensions reserve for both Pension schemes has been recognised on the balance sheet, as have entries in the CIES for movements in the asset / liability relating to the defined benefit scheme. Transfers into and out of the scheme representing joining and leaving police officers, are recorded on a cash basis in the pension fund, because of the length of time taken to finalise the sums involved.

Following the Code's requirements, IAS 19 has been fully recognised in the Group accounts. Scheme liabilities as shown on the balance sheet are calculated by determining future liabilities for pension payments and applying a discount rate equal to the yield on an index of long dated AA rated corporate bonds as at 31 March 2025.

Police Staff

Police staff are eligible to join the Local Government Pension Scheme (LGPS) administered by Buckinghamshire Council. This is a funded scheme. In 2024/25 the Group paid an employer's contribution representing 16.6% of pensionable pay. The contribution rate is determined by the Fund's actuary based on valuations every three years.

Additional contributions are payable to cover the cost of any early retirements except those due to ill-health. In addition, the Group is responsible for all pension payments relating to any added years' benefits, together with the related increases.

The values for each scheme are shown separately in the notes. Assets are measured at fair value which is assessed on the basis of bid price. Liabilities are measured using the projected unit method.

- **ACCUMULATED ABSENCES ACCOUNT**

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, TOIL (time off in lieu) paid sick leave, bonuses and non-monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the Group

IAS 19 (Employee Benefits) requires the Group to account for short-term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are not taken by the balance sheet date. The accrual for untaken leave is charged to the provision of services, and reversed out through the Movement in Reserves Statement so that the leave is charged to the CIES in the financial year in which the holiday absence is taken.

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

1. GROUP ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority 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 only standard introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code which affects policing are:

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. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible noninvestment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

We are currently not in a position to reasonably estimation the possible impact that the application of the above standards will have on the 2025/26 accounts

2. GROUP SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the PCC to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income, and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

- a. Establishing the valuations of operational and residential properties (see Note for details of amounts and the valuation process involved). Depreciation is a calculation by the fixed asset register system, based on asset value and expected useful life of the asset. If the useful life of an asset is reduced then the depreciation charge to CIES will increase. The PCC monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year.
- b. The costs of a pension arrangement require estimates regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the PCC as advised by their actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- c. A judgement has been made of the expenditure allocated between the PCC and Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the PCC in accordance with the standard set of activities for each corporate body identified in CIPFA's published guidance at the time (SeRCOP). In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the PRSR Act and Home Office guidance.

- d. Changes to IFRS 11 (Joint Arrangements) required the Group to classify their collaborative arrangements. Senior Management within Thames Valley Police and their collaboration partners have considered the nature of the arrangements and most importantly, whether joint control exists within each arrangement, and in each case, a judgement has been made that the arrangement is outside the scope of the new collaboration standard. The Group will continue to account for its own share of income and expenditure of each arrangement. Details of these values are shown in note 12 (related party transactions).
- e. All surplus properties owned by the PCC have been reviewed and have been judged to meet the criteria of surplus properties rather than investment properties.
- f. On the 1st April 2018, significant changes were made to IFRS 9 (Financial Instruments). This has resulted in new classification categories for financial assets and liabilities. All investments and loans have been assessed at year-end and as all investments are made solely for payments of principal and interest, a judgement has been made that they should all be held at amortised cost.
- g. During 2024/25 Thames Valley Police continued to operate the national store for Personal Protective Equipment (PPE) on behalf of all police forces in the country. The stock was initially supplied by forces and paid for via Home Office grant but this was then taken over (both supply and funding) by the Department of Health, TVP was responsible for the onward distribution as determined by the National Police Coordination Centre. As such, it has been determined that TVP are operating as an agent and not as principal in the acquisition and distribution of the stock. TVP are planning to distribute the remaining stock to Schools and NHS bodies, therefore due to this plan we have now written down the stock value to zero as we will be donating the equipment.



3. GROUP ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year involved the pension liability for police staff. The discount rates used to calculate the pension liabilities are estimates, any changes in which could impact on the total liability of the relevant pension funds. See note 23 for a sensitivity analysis and details of the impact of a change in the discount rate. Furthermore, the full impact of the McCloud/Sargeant judgement on both the police officer and police staff pension schemes is still unknown.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Valuation of Operational Property (Land & Building)	The assets value and its remaining useful lives (RUL) are assessed by the External Valuers on a 5- year rolling programme. Valuations contain estimates and assumptions made by qualified and experienced valuers including nationally derived building cost indices and other market indicators available to assess an asset's value. Assets of high value are valued annually to reduce this risk.	Changes to asset value and lives will have an effect on the annual depreciation charge for use of assets charged to services in the CIES. The annual depreciation charge to CIES for Land and Building is £9m (note 14). A reduction in the estimated valuations would impact on the net worth, however, would not impact on the usable balances. It would result in reductions to the Revaluation Reserve and/or a loss recorded in the CIES. If the value of the Land and Buildings were to reduce by 10% that would equate to £20m movement on asset values on the Balance Sheet.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgments relating to the discount rates used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the accounts. Sensitivity analysis is represented in note 32 to the accounts. Any impact on the liabilities relating to Covid-19 will be reflected within the regular triennial valuation and the effect will be absorbed into the long-term funding strategy. This could mean either higher or lower pension contributions payable in the future.

4. INTRA GROUP ADJUSTMENTS

Both the Police and Crime Commissioner and the Chief Constable are separate legal entities. The Group statement of accounts (PCC Group) reflects the consolidated accounts of the PCC and its subsidiary the Chief Constable.

The table below shows the movement through an intra group account within the respective accounts during 2023/24 and 2024/25. There are no outstanding intra group balances at year end, as the PCC paid all financial resources consumed at the request of the Chief Constable and an intra group adjustment was made to offset the Chief Constable's consumption of resources.

Intra group balances for 2023/24	PCC £000	CC £000	Group £000
Opening balance as at 1 st April 2023	0	0	0
Balance sheet intra group adjustment	(33,199)	33,199	0
PCC resources consumed at the request of the Chief Constable	(544,313)	544,313	0
PCC Intra group adjustment	(577,512)	577,512	0

Intra group balances for 2024/25	PCC £000	CC £000	Group £000
Opening balance as at 1 st April 2024	0	0	0
Balance sheet intra group adjustment	(29,990)	29,990	0
PCC resources consumed at the request of the Chief Constable	(573,828)	573,828	0
PCC Intra group adjustment	(603,818)	603,818	0

5. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments from General Fund to arrive at the CIES amounts	2023/24				2024/25			
	Adjustments for capital purposes £000	Net change for the pensions Adjustment £000	Other differences £000	Total Adjustments £000	Adjustments for capital purposes £000	Net change for the pensions Adjustment £000	Other differences £000	Total Adjustments £000
PCC	6,552	71	3	6,626	(555)	83	(3)	(475)
Employees		112,191	524	112,715		116,946	429	117,375
Premises								
Transport								
Supplies & Services								
Third Party Payments								
Capital Charges	(561)			(561)	2,927			2,927
Non-specific Income								
Net cost of services	5,991	112,262	527	118,780	2,373	117,029	426	119,828
Other income & expenditure from the expenditure & funding analysis	(6,552)		539	(6,013)	(12,303)		1,087	(11,216)
Difference between General Fund & surplus or deficit and CIES statement surplus or deficit on the provision of services	(561)	112,262	1,066	112,767	(9,930)	117,029	1,513	108,612

6. 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 PCC and Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the PCC and Group to meet future capital and revenue expenditure. All items are adjustments between the general fund balance and the unusable reserves shown below.

2024/25

Adjustments to the Revenue Resources	General Fund Balance £000	Capital Receipts Reserve £000	Unusable Reserves £000
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:			
Pensions costs (transferred to or from the pensions reserve)	117,029		(117,029)
Financial instruments (transferred to the financial instruments adjustment account)	(20)		20
Council tax (transfers to or from the collection fund adjustment account)	1,107		(1,107)
Holiday Pay (transferred to the accumulated absences account)	426		(426)
Non-current assets written off on disposal (charged to capital adjustment account)	3,027		(3,027)
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	20,604		(20,604)
Total Adjustments to the Revenue Resources	142,173		(142,173)
Adjustments between revenue and Capital Resources			
Transfer of non-current asset sale proceeds from revenue to capital receipts reserve	(3,460)	3,460	
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(1,737)		1,737
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(28,365)		28,365
Total Adjustments between revenue and Capital Resources	(33,562)	3,460	30,102
Adjustments to capital resources			
Use of capital receipts reserve to finance capital expenditure		(3,510)	3,510
Application of capital grants to finance capital expenditure			
Total Adjustments to capital resources		(3,510)	3,510
Total Adjustments	108,612	(50)	(108,561)

2023/24

Adjustments to the Revenue Resources	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grant Unapplied £000	Unusable Reserves £000
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to or from the pensions reserve)	112,262			(112,262)
Financial instruments (transferred to the financial instruments adjustment account)	(20)			20
Council tax (transfers to or from the collection fund adjustment account)	559			(559)
Holiday Pay (transferred to the accumulated absences account)	527			(527)
Non-current assets written off on disposal (charged to capital adjustment account)	3,169			(3,169)
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	20,006			(20,006)
Total Adjustments to the Revenue Resources	136,503	0	0	(136,503)
Adjustments between revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to capital receipts reserve	(2,977)	2,977		0
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(2,900)			2,900
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(17,859)			17,859
Total Adjustments between revenue and Capital Resources	(23,736)	2,977	0	20,759
Adjustments to capital resources				
Use of capital receipts reserve to finance capital expenditure		(2,995)		2,995
Application of capital grants to finance capital expenditure			(6,317)	6,317
Total Adjustments to capital resources		(2,995)	(6,317)	9,312
Total Adjustments	112,767	(18)	(6,317)	(106,432)

7. EVENTS AFTER THE BALANCE SHEET DATE

There are no post balance sheet events after 31st March 2025

8. TRANSFERS TO / (FROM) EARMARKED RESERVES

This note explains the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

Reserve	Balance at 1/4/2024 £000	Appropriation to (-) /from CIES £000	Balance at 31/3/2025 £000	Purpose of Reserve
Conditional funding reserve	4,284	(74)	4,210	Income received can only be spent on the specified project or activity
Transport reserve	1,370	570	1,940	TVP share of the Chiltern transport Consortium reserves
Service Delivery and Crime Management (SDCM) reserve	2,362	(2,362)	0	To fund the initial costs of this new operational policing priority in 2024/25
Insurance reserve	5,600	1,576	7,176	Funds held in case insurance provision proves inadequate to meet known liabilities
SEROUCU reserve	6,329	1,265	7,594	Funding for SE Regional Organised Crime Unit, as defined in S22 agreement
Crime Prevention Reserve	5,140	(2,438)	2,702	To support the Police & Crime Plan by funding services and grants to reduce crime & disorder and support victims & witnesses.
Enabling Services Reserve	0	3,000	3,000	To help fund the enabling services review
Efficiency Fund Investment Reserve	0	1,000	1,000	To help fund projects that deliver a cashable saving
Improvement and Performance (I&P) reserve	24,870	(1,339)	23,531	To help fund future policing initiatives
CCTV reserve	635	(20)	615	To help fund CCTV services and infrastructure across the Thames Valley
Estates reserve	18,222	358	18,580	To help fund the long-term capital costs of the police property estate
MTCP Financing Reserve	32,609	(13,289)	19,320	To help fund capital investment in future financial years
Total	101,421	(11,752)	89,669	

9. ANALYSIS OF ITEMS IN COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

a) Other Operating Expenditure

	2023/24 £000	2024/25 £000
Gain (-)/loss on disposal of fixed asset	192	(482)
Total operating expenditure	192	(482)

b) Financing and Investment income and expenditure

	2023/24 £000	2024/25 £000
Interest payable	1,641	1,536
Pensions interest cost on net defined benefit liability	151,216	160,498
Subtotal	152,857	162,034
Interest and investment income	(9,400)	(9,819)
Right of Use assets	0	20
Total operating expenditure	143,456	152,235

c) Taxation and non-specific grant income

	2023/24 £000	2024/25 £000
Police Grant	(174,033)	(187,873)
Formula Grant	(88,740)	(90,562)
Council tax	(248,620)	(262,829)
Pensions top up grant	(31,283)	(23,321)
Capital grants and contributions	(6,744)	(11,891)
Council tax legacy grant	(14,720)	(14,171)
Total	(564,139)	(590,648)

d) Specific grant income

	2023/24 £000	2024/25 £000
PFI grant	(1,032)	(1,032)
Counter terrorism grant (including dedicated security posts)	(41,245)	(42,635)
SEROCU grant	(4,042)	(3,980)
Disclosure Bureau Services	(2,180)	(2,256)
MOJ Victims and Witnesses grant	(4,563)	(4,702)
Home Office (Serious violence, Violence reduction unit)	(7,036)	(1,559)
Use of the apprenticeship levy	(2,202)	(1,637)
Pensions grant	(4,312)	(14,244)
Safer Streets	(400)	(271)
Recruitment uplift grant	(13,517)	(18,660)
McCloud Compensation Grant	0	(1,501)
Specialist Firearms	(3,875)	(4,260)
Security Grant	(7,686)	(8,369)
Home Office ICT Grant	(20,000)	0
Innovation Fund	(1,712)	(3,870)
Pay Award Grant	(10,054)	(4,987)
Other small grants	(799)	(601)
Total	(124,653)	(114,564)

10. OFFICERS' REMUNERATION

The following sums have been paid to members of the Chief Constable's Management Team as well as to the PCC's Statutory Officers.

Police Force	Year	Note	Salary, Fees & Allowance £	Bonuses £	Total Remuneration excluding Pensions £	Pension Contribution £	TOTAL £
Jason Hogg (Chief Constable)	2023/2024		197,014	0	197,014	58,865	255,879
	2024/2025		216,437	0	216,437	80,912	297,348
Ben Snuggs (Deputy Chief Constable)	2023/2024	1	159,601	0	159,601	48,022	207,623
	2024/2025		227,066	0	227,066	67,766	294,832
Tim De Meyer (Assistant Chief Constable)	2023/2024	2	1,522	0	1,522	209	1,731
	2024/2025		0	0	0	0	0
Tim Metcalfe (Assistant Chief Constable)	2023/2024		136,728	0	136,728	38,201	174,928
	2024/2025		146,691	0	146,691	47,016	193,707
Dennis Murray (Assistant Chief Constable)	2023/2024		122,339	0	122,339	33,702	156,041
	2024/2025		147,819	0	147,819	46,974	194,792
Katy Barrow-Grint (Assistant Chief Constable)	2023/2024		125,727	0	125,727	34,632	160,360
	2024/2025		147,218	0	147,218	46,617	193,835
Christian Bunt (Assistant Chief Constable)	2023/2024		137,296	0	137,296	38,377	175,672
	2024/2025		146,691	0	146,691	47,016	193,707
Linda Waters (Director of Finance)	2023/2024		133,579	0	133,579	21,727	155,306
	2024/2025		139,772	0	139,772	23,931	163,703
Olly Wright (Temporary Assistant Chief Constable)	2023/2024	3	0	0	0	0	0
	2024/2025		117,789	3,204	120,993	42,327	163,320
Christine Kirby (Director of People)	2023/2024	4	127,280	0	127,280	20,909	148,189
	2024/2025		68,742	0	68,742	11,632	80,374
Nicole Cornelius (Director of People)	2023/2024	5	0	0	0	0	0
	2024/2025		46,121	0	46,121	7,624	53,745
Mike Lattanzio (Chief Digital and Information Officer)	2023/2024		151,754	0	151,754	0	151,754
	2024/2025		182,351	0	182,351	0	182,351

Note 1 Relocation fees paid (included in Salary, Fees and Allowances)

Note 2 Tim De Meyer left 02/04/23

Note 3 Olly Wright temporary promotion 14/11/2024

Note 4 Christine Kirby left 04/10/2024

Note 5 Nicole Cornelius started 02/12/2024

Following changes to taxation regulations, no chief officers have any taxable personal use of vehicles and therefore no longer incur a benefit in kind.

Office of the Police and Crime Commissioner	Year	Note	Salary, Fees & Allowance £	Bonuses £	Total Remuneration excluding Pensions £	Pension Contribution £	Total £
Gillian Ormston (Chief Executive)	2023/2024		101,151	0	101,151	16,791	117,942
	2024/2025		127,483	0	127,483	22,310	149,793
Martin Thornley (Chief Finance Officer)	2023/2024		91,685	0	91,685	20,238	111,923
	2024/2025		118,965	0	118,965	21,407	140,372

Police and Crime Commissioner	Year	Note	Salary, Fees & Allowance £	Bonuses £	Total Remuneration excluding Pensions £	Pension Contribution £	Total £
Matthew Barber (PCC)	2023/2024		88,600	0	88,600	14,708	103,308
	2024/2025		88,600	0	88,600	15,505	104,105

The following table shows the number of staff employed and paid directly by TVP whose total remuneration package exceeded £50,000. In this respect, total remuneration comprises gross pay as recorded on employee's P60 tax returns, together with taxable benefits in kind as disclosed to the HM Revenue and Customs on Form P11D. This table excludes those senior officers whose salaries etc. are disclosed separately above.

Total Remuneration £	2023/24	2024/25
150,000 – 159,999	0	1
140,000 – 149,999	1	2
130,000 – 139,999	1	0
120,000 – 129,999	2	1
110,000 – 119,999	2	3
105,000 - 109,999	7	16
100,000 - 104,999	7	10
95,000 – 99,999	12	19
90,000 – 94,999	18	14
85,000 – 89,999	20	28
80,000 – 84,999	29	30
75,000 – 79,999	47	68
70,000 – 74,999	92	225
65,000 – 69,999	287	352
60,000 – 64,999	409	538
55,000 - 59,999	722	836
50,000 – 54,999	1,004	1,108
TOTAL	2,660	3,251

11. FEES PAYABLE TO EXTERNAL AUDITORS

The Group has incurred the following costs in relation to the audit of the Statement of Accounts by the Groups external auditors, Ernst and Young:

	2023/24 £000	2024/25 £000
Fees payable in relation to auditing the PCC and Group accounts by the appointed auditor for the year	180	122
Refund in relation to prior years (PCC and Group)	0	0
Fees payable in relation to auditing the Chief Constable accounts by the appointed auditor for the year	52	61
Refund in relation to prior years (Chief Constable)	0	0
Other services provided by the auditor	0	0
Total	232	183

12. RELATED PARTY TRANSACTIONS

Central Government has effective control over the general operations of the Group - it is responsible for providing the statutory framework within which the Group operates and provides the majority of its funding in the form of grants. Details of significant transactions with government departments are disclosed elsewhere in the Statement of Accounts.

The Chiltern Transport Consortium provides a vehicle fleet management service to TVP, Bedfordshire Police, Cambridgeshire Constabulary, Hertfordshire Police, British Transport Police, Civil Nuclear Constabulary and the National Investigation Service. The following table provides a high-level split of gross costs.

	2023/24 £000	2024/25 £000
TVP	5,540	5,836
Bedfordshire Police	2,870	3,250
Civil Nuclear Constabulary	927	930
Hertfordshire Police	3,278	3,749
Cambridgeshire Constabulary	2,686	3,049
British Transport Police	3,269	3,796
National Investigation Service	41	37
External Income	1,160	2,564
Total gross cost	19,771	23,212

The South East Regional Organised Crime Unit (SEROCU) was set up as part of a National network to tackle serious and organised crime. It delivers several specialist and niche capabilities to the SE Regional Forces. The following table provides a high level split of gross costs.

	2023/24 £000	2024/25 £000
TVP	10,357	11,472
Hampshire Police	6,051	6,663
Sussex Police	5,079	5,547
Surrey Police	3,756	4,141
Kent Police	30	33
External Income	11,388	12,422
Total gross cost	36,661	40,278

TVP lead the regional Counter Terrorism Specialist Firearms Officers unit for Thames Valley, Hampshire, Surrey, Sussex and Kent but officers remain employed by their home force and hence their costs do not show in the TVP ledger. As lead TVP receives the full grant from National Counter Terrorism Police Head Quarters and distributes to the regional partners.

	2023/24 £000	2024/25 £000
TVP	3,154	3,015
Hampshire Police	(449)	(423)
Surrey / Sussex / Kent Police	(1,735)	(1,606)
External Income	4,459	3,331
Total Gross Cost	5,429	4,317
Net Direct Expenditure Incurred by other forces	4,299	3,604
Total gross cost	9,728	7,921

TVP leads the Regional Collaboration of a number of intelligence functions through the Counter Terrorist Policing South East (CTPSE) unit, which co-ordinates these function to enable the South East forces of Thames Valley, Hampshire, Surrey, Sussex and Kent to respond appropriately to threats in the region. Most of the officers remain employed by their Home forces as do their direct costs.

	2023/24 £000	2024/25 £000
TVP	998	846
Hampshire Police	(139)	(139)
Surrey / Sussex / Kent Police	(325)	(153)
Total Gross Cost	533	555
Net Direct Expenditure incurred by other forces	1,390	1,466
Total gross cost	1,923	2,021

We collaborate with Hampshire Police in terms of ICT, Information Management and ANPR which are led by TVP, and also Operations which is led by Hampshire. The following table provides a high-level split of the gross costs incurred by each force for the combined units for 2024/25.

	2023/24 £000	2024/25 £000
TVP	69,680	66,512
Hampshire Police	55,403	56,192
TOTAL GROSS COST	125,083	122,704

Chief Officers are required to declare whether they, or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the PCC or Thames Valley Police during the financial year. A letter has been sent to all chief officers to collect this information and the outcome is that there are two material related party transaction to disclose in 2024/25:

During the period April 2024 – March 2025 the Chief Digital and Information Officer and his wife were both senior members of the ICT department. The CIO's wife is a consultant, appointed through a recruitment agency. Invoices relating to the consultancy are appropriately scrutinised and the Chief Information Officer does not approve the invoices of his wife.

13. TERMINATION BENEFITS

Termination benefits are accounted for in the year in which the decision is made, not when the individual leaves TVP.

The number of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below:

2024/25

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages in each band £000
£0 - £40,000*	3	0	3	71
Total				

2023/24

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages in each band £000
£0 - £40,000*	4	0	4	81
Total	4	0	4	81

*due to confidentiality and the small number of people within the bands we cannot disclosure further details

The figures shown above include, where appropriate, the cost to the Group of paying the pension strain on those employees who accepted early retirement. Pension strain is a payment made to the pension fund to reflect the additional cost to the fund of the employee retiring early. It is not a payment made to the individual employee. Voluntary redundancies are only agreed in situations where, by accepting a volunteer, the Group avoids or reduces the requirement to select and implement compulsory redundancies.

14. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

Movement on Fixed Assets

2024/25

Cost or Valuation	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Right of Use Assets	Vehicles Plant and Equipment £000	Surplus Assets £000	Assets under construction £000	Total £000
At 1st April 2024	197,578	7,275	1,417		74,474	10,685	69,224	360,654
IFRS 16 Adjustment	(10,619)	0	0	10,798	0	0	0	179
Additions	931	0	0		11,465	0	30,911	43,307
Revaluation increases /(decreases) to RR	12,871	(75)	0	311	0	748	0	13,855
Revaluation increases /(decreases) to SDPS	(6,608)	0	0		0	(57)	0	(6,665)
Disposals	0	(1,719)	(262)		(7,775)	0	0	(9,756)
Reclassifications	7,950	0	0		0	0	(7,950)	0
Write out fully depreciated assets	0	0	0		0	0	0	0
Depreciation written out on revaluation	(8,023)	0	0		0	(1,158)	0	(9,181)
At 31st March 2025	194,080	5,482	1,155	11,109	78,164	10,218	92,185	392,393
Depreciation and Impairment								
At 1st April 2024	223	1	0	0	38,553	954	0	39,732
Depreciation charge	8,480	0	0	0	10,870	1,158	0	20,508
Depreciation written out on revaluation	(8,023)	0	0	0	0	(1,158)	0	(9,181)
Disposal	0	0	0	0	(6,650)	0	0	(6,650)
Impairment	2,574	0	0	0	0	0	0	2,574
Reclassifications	0	0	0	0	0	0	0	0
At 31st March 2025	3,254	1	0	0	42,773	954	0	46,984
Net Book Value	0	0	0	0	0	0	0	0
At 31st March 2025	190,826	5,481	1,155	11,109	35,391	9,264	92,185	345,411

Cost or Valuation	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Vehicles Plant and Equipment £000	Surplus Assets £000	Assets under construction £000	Total £000
At 1st April 2023	202,771	7,100	1,417	68,173	9,498	56,752	345,711
Additions	413	0	0	16,053	0	15,537	32,003
Revaluation increases /(decreases) to RR	6,522	355			1,187		8,064
Revaluation increases /(decreases) to SDPS	(3,109)						(3,109)
Disposals	(1,890)	(180)		(9,752)	0	(17)	(11,840)
Reclassifications	3,048					(3,048)	0
Write out fully depreciated assets							0
Depreciation written out on revaluation	(10,176)						(10,176)
At 31st March 2024	197,578	7,275	1,417	74,474	10,685	69,224	360,654
Depreciation and Impairment							
At 1st April 2023	1,361	1	0	37,371	(204)	0	38,529
Depreciation charge	9,038			9,853	1,158		20,049
Depreciation written out on revaluation	(10,176)				0		(10,176)
Disposal				(8,671)			(8,671)
Write out fully depreciated assets							0
Reclassifications							0
At 31st March 2024	223	1	0	38,553	954	0	39,732
Net Book Value							
At 31st March 2024	197,355	7,274	1,417	35,921	9,731	69,224	320,922

IFRS 16 Transitional Accounting adjustments

In 2024/25, the authority applied IFRS 16 *Leases* as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

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

In the 2024/25 PPE table above there is a row for IFRS 16 Adjustments. This is for assets we were already holding as Finance leases and have subsequently revalued as a lease under IFRS16. The impact of this is shown in the table below: -

Asset	Opening Finance Lease Value	Opening IFRS 16 Value
Ascot Police Station	935	450
Chipping Norton Fire Station Police Office	58	46
East Oxford Police Office	99	75
Abingdon Police Station	8,923	1,854
Newport Pagnell Fire Station	90	15
Princes Risborough Fire Station	141	74
West Ashlands MK Blue Light Hub	310	207
Theale Blue Light Hub	272	221
Total	10,828	2,942

Some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet:

- £11,109 - Property, plant and equipment – land and buildings (right-of-use assets)
- £13,825 - non-current creditors (lease liabilities)
- £130 - Current creditors (lease liabilities)

Authority as Lessee - Right of Use Assets

The authority's lease contracts comprise leases of operational land and buildings. Most are individually immaterial, however we do have 12 leases that have term longer than 30 years and have a value of £8.144m as at 31.03.2025.

The table above includes a Right of Use asset column which shows the change in the value of right to use assets held under leases by the authority.

Maturity analysis of lease liability

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

	31 March 2025 £000
Payable in 2025/26	130
Payable within 1 to 5 years	7,447
More than 5 years	6,378
Total	13,955

Revaluations

Thames Valley Police's property valuers are Lambert Smith Hampton - Commercial Surveyors and Property Consultants. This company has been commissioned to undertake a rolling programme of valuation of one fifth of the property portfolio each year with the remainder being subject to a desktop valuation to ensure that an appropriate value for all properties is maintained within the accounts.

Properties were valued at 1st March 2025 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

The significant assumptions applied in estimating the fair values are:

- The condition of the properties at the date of valuation is identical to that found at the date of the valuer's inspection.
- There is no significant risk of contamination to the properties.
- No deleterious material has been used in the construction of the properties.
- The ground conditions are satisfactory for a traditional method of construction and that there are no contaminating or deleterious materials present which may prevent the development of the sites.
- The uses being carried out in each of the properties is an authorised planning use and that the buildings have been erected with full planning permission.
- The properties and their value are unaffected by any matters which will be revealed by a local search or by any statutory notice.
- The properties comply with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

Impairment

- In the above table there is an impairment of £2.574m. This relates to our Meadow House offices in Kidlington. The building is currently not able to be used operationally due to water damage caused by burst pipes. Therefore this building is not bringing us any operational benefit.

Fair Value disclosures for surplus assets

Details of the PCC's surplus assets and information about the fair value hierarchy as at 31 March 2025 are as follows:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1) £00	Other significant observable inputs (level 2) £000	Significant unobservable inputs (level 3) £000	Fair value as at 31 March 2025 £000
Surplus operational properties		5,787		5,787
Surplus land		3,961		3,961
Telecommunications sharing sites		281		281
Total		10,029		10,029

Comparable figures for 2023/24 are as follows:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1) £00	Other significant observable inputs (level 2) £000	Significant unobservable inputs (level 3) £000	Fair value as at 31 March 2024 £000
Surplus operational properties		6,025		6,025
Surplus land		4,238		4,238
Telecommunications sharing sites		281		281
Total		10,544		10,544

Transfer between levels of fair value hierarchy

There were no transfers between levels 1 and 2 during the year.

Valuation techniques used to determine level 2 and level 3 fair values for surplus assets:

Significant observable inputs – level 2

The fair value for all the surplus assets shown in the table above are based on quoted prices for similar properties in active markets. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at level 2 in the fair value hierarchy.

Significant unobservable inputs – level 3

There are no properties categorised at level 3 in the fair value hierarchy.

Valuation process for surplus assets

The fair value of surplus assets is measured annually at 1st March by external valuation experts Lambert Smith Hampton. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors and in conjunction with the Chief Constables' finance team. There have been no changes in valuation techniques used during the year.

Capital Commitments

The following significant amounts are outstanding on capital contracts which have been entered into by the Chief Constable as at 31 March 2025. The amounts shown are the Thames Valley Police share of the Commitment. Where there is a total joint commitment to the contract by multiple forces, this value is shown in brackets.

This is an increase of £7.275m from 2024/25 (2023/24 £16.920m) mainly due to being part was through two major projects, with a significant amount of works still to be complete

	£000
Building Projects	24,195
Total	24,195

15. CAPITAL EXPENDITURE AND FINANCING

The Group spent £43.746m on the acquisition and enhancement of long-term assets in 2024/25, as the following table shows.

	2023/24 £000	2024/25 £000
Land and buildings	16,043	31,841
Vehicles, plant and other equipment	10,524	8,044
Information, communications and technology	5,436	3,342
Total tangible fixed asset expenditure	32,003	43,228
Intangible assets (i.e. computer software licences)	1,911	518
Total Capital Expenditure	33,914	43,746

Financing of the capital programme is set out below.

	2023/24 £000	2024/25 £000
Capital grant	12,886	11,649
Capital receipts	2,995	3,510
Borrowing Requirement	0	0
Third party contributions	175	242
Reserves contributions	4,868	14,289
Revenue contributions	12,991	14,057
Total financing	33,914	43,746

16. INTANGIBLE ASSETS

The authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generally software.

	2023/24			2024/25		
	Internally Generated Assets £000	Other Assets £000	Total £000	Internally Generated Assets £000	Other Assets £000	Total £000
Gross Book Value						
Opening balance	21,829	9,284	31,113	22,837	4,372	27,208
Additions (purchased and internally generated)	1,008	903	1,911	258	260	518
Write out fully depreciated items	0	(5,816)	(5,816)		(5,305)	(5,305)
Closing balance	22,837	4,372	27,208	23,095	(674)	22,421
Depreciation						
Opening balance	(15,701)	(9,424)	(25,126)	(18,695)	(4,206)	(22,902)
Amortisation charged to income and expenditure	(2,994)	(598)	(3,592)	(1,774)	(399)	(2,172)
Write out fully depreciated items	0	5,816	5,816		5,305	5,305
Closing balance	(18,695)	(4,206)	(22,902)	(20,469)	700	(19,769)
Net Book Value	4,141	165	4,307	2,627	26	2,652

17. FINANCIAL INSTRUMENTS

The following categories of financial instruments are carried in the Balance Sheet.

2024/25

<u>Financial Assets</u>	Long-Term		Current	
	Investments £000	Debtors £000	Investments £000	Debtors £000
Amortised cost		1,283	112,810	53,276
Total financial assets		1,283	112,810	53,276
Total		1,283	112,810	53,276

<u>Financial liabilities</u>	Borrowings £000	Creditors £000	Borrowings £000	Creditors £000
Amortised cost	46,422		301	79,878
Total financial liabilities	46,422		301	79,878
PFI and finance lease liabilities	3,856		959	0
Total	50,278		1,261	79,878

2023/24

<u>Financial Assets</u>	Long-Term		Current	
	Investments £000	Debtors £000	Investments £000	Debtors £000
Amortised cost		696	119,570	80,239
Total financial assets		696	119,570	80,239
Non-financial assets				
Total		696	119,570	80,936

<u>Financial liabilities</u>	Borrowings £000	Creditors £000	Borrowings £000	Creditors £000
Amortised cost	47,178		329	95,524
Total financial liabilities	47,178		329	95,524
PFI and finance lease liabilities	4,054		1,716	0
Other non-financial liabilities				
Total	51,232		2,045	95,524

Financial Instruments Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement (CIES) in relation to financial instruments are made up as follows:

Financial Instruments	Surplus or Deficit on the Provision of Services		Total	
	2023/24	2024/25	2023/24	2024/25
Net gains/losses on:				
Total net gains/losses	-	-	-	-
Interest revenue:				
Financial assets measured at amortised cost other financial assets measured at fair value through other comprehensive income	(9,400)	(9,819)	(9,400)	(9,819)
Total Interest Revenue	(9,807)	(9,819)	(9,807)	(9,819)
Interest expense	1,641	1,536	1,641	1,356

Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost (in current assets/long term liabilities with accrued interest in current assets/current liabilities). No financial asset or liability is held on the balance sheet at fair value. However, the fair value is shown below for information purposes.

Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair values calculated are as follows:

	At 31 March 2024		At 31 March 2025	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
PWLB debt	47,178	34,588	46,422	31,743
Market loans	0	0	0	0
PFI and finance lease liability	5,770	5,770	4,815	4,815
Trade creditors	64,681	64,681	41,062	41,062
Financial liabilities	117,629	105,039	92,300	77,620

The fair value is lower than the carrying amount because the PCC's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date.

	At 31 March 2024		At 31 March 2025	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Investments	119,570	119,570	112,685	112,685
Trade debtors	22,853	22,853	19,911	19,911
Cash and cash equivalents	29,479	29,479	22,508	22,508
Total	171,902	171,902	155,105	155,105

All investments are placed for periods of less than 12 months. As such the carrying amount is considered to approximate to the fair value.

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

18. INVENTORIES

The value of inventories held by the Group as at 31st March 2025 is £2.780m. This is categorised as follows:

	2023/24 £000	2024/25 £000
Uniforms	1,065	1,324
Transport – parts and equipment	295	347
Other operational equipment	1,113	1,110
Personal Protective Equipment*	901	0
Total	3,373	2,780

* As 31st March 2025, Thames Valley Police held inventories of personal protective equipment on behalf of the Department of Health for onward distribution to all other 43 police forces in England and Wales. The Group are acting as an agent in this regard as TVP do not hold responsibility for ordering the stock or determining who should receive the stock. The value at the yearend was £0 million, this is due to the intention to donate the stock to the NHS and local schools.

The amount of TVP owned inventories recognised as an expense through the Comprehensive Income and Expenditure Statement during each year is as follows:

	2023/24 £000	2024/25 £000
Uniforms	1,626	1,782
Transport – parts, livery and equipment	2,887	2,993
Other operational equipment	276	86
Total	4,788	4,861

As detailed in the accounting policy, the Group departs from IAS2 by valuing stock at purchase price rather than net realisable value. The financial effect of complying with the code would be to reduce the value of TVP owned stock on the balance sheet as at 31st March 2025 from £2.780m to £1.088m, as per the table below.

	2023/24 £000	2024/25 £000
Uniforms	0	0
Transport – parts and equipment	7	34
Other operational equipment	1,069	1,054
TOTAL	1,076	1,088

19. DEBTORS

	2023/24 £000	2024/25 £000
<i>Amounts falling due after more than one year</i>		
Trade receivables	202	202
Prepayments	469	1,063
Other receivable amounts	25	23
Total long term debtors	696	1,288
<i>Amounts falling due within one year</i>		
Trade receivables	22,651	19,709
Prepayments	5,896	7,184
Other receivable amounts	75,476	63,127
Less provision for doubtful debts	(2)	(4)
Total current debtors	104,022	90,016
Total debtors	104,719	91,304

20. CASH AND CASH EQUIVALENTS

For the purposes of this note:

'Cash' includes money held at the bank and/or bank overdraft.

'Cash equivalents' includes money placed in instant access call accounts or Money Market Funds.

The balance of cash and cash equivalents as at 31st March 2025 is made up of the following elements:

	2023/24 £000	2024/25 £000
Cash	126	297
Cash equivalents	29,479	22,211
Total Cash and Cash equivalents	29,605	22,508

21. ASSETS HELD FOR SALE

Between the 31st March 2024 and 31st May 2024, no further assets have been classified as “held for sale”.

	2023/24 £000	2024/25 £000
Balance outstanding at the start of the year	479	479
Assets newly classified as held for sale	0	0
Balance outstanding at year end	479	479

22. CREDITORS

	2023/24 £000	2024/25 £000
Trade payables	64,681	41,062
Other payables	61,921	72,179
Total Creditors	126,602	113,241

23. PROVISION

Insurance Provision

The Group maintains a provision to meet insurance claims under a self-insurance scheme. There are cumulative limits to these, above which claims would be met by the Group’s insurers. This provision covers two main areas of insurance, namely motor and employees/public liability. The adequacy of the insurance provision is assessed annually by a firm of actuaries. Payments for employees and public liability insurance are notoriously long tail, which means that it could be as long as 7 years before all current claims are finally paid and settled.

Other Provisions

We have three smaller short-term provisions amounting to £1.2m (£2m in 2023/24)

Comparative figures for provisions are not required.

	2024/25 £000
Opening balance at 1 April 2024	9,067
Transactions during the year:	
Additional provisions made in the period	1,990
Amounts used (incurred and charged against the provision) in the period	(2,552)
Closing balance at 31 March 2025	8,505
Short term Insurance Provision	4,024
Long term Insurance Provision	4,481

Closing balance at 31 March 2025	8,505
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24. CONTINGENT ASSETS AND LIABILITIES

We have no contingent assets or liabilities to report.

25. USABLE RESERVES

The Group maintains a number of cash reserves in the Balance Sheet which are available to help fund future spending plans.

	2023/24 £000	2024/25 £000
Usable capital receipts	3,718	3,668
Capital grant unapplied account	0	0
Earmarked reserves	101,421	89,669
General balances	15,528	15,787
Total	120,667	109,125

Usable Capital Receipts Reserve

This reserve holds the proceeds from the sale of fixed assets, pending their use to finance capital expenditure.

	2023/24 £000	2024/25 £000
Opening balance at 1 April	3,736	3,718
Add receipts in year	2,977	3,460
Less applied to finance capital expenditure	(2,995)	(3,510)
Closing balance at 31 March	3,718	3,668

Capital grants unapplied account

This reserve holds capital grant and contributions that do not have any outstanding conditions attached to them, but have not yet been used to finance capital expenditure.

	2023/24 £000	2024/25 £000
Opening balance	6,317	0
Amounts received in year	0	0
Amounts applied to finance capital expenditure (transferred to capital adjustment account)	(6,317)	0
Closing balance at 31 March	0	0

Earmarked Reserves

Please see Note 8 on page 51

General Balances

The Group must retain adequate reserves so that unexpected demand pressures on budgets can be met without adverse impact on achievement of the Group's key priorities. The following table shows the movement in general balances during the year.

	2023/24 £000	2024/25 £000
Opening balance as at 1 April	19,931	15,528
Planned use of balances to fund revenue expenditure	(4,403)	0
Transfer from / to (-) other reserves	0	259
Closing balance at 31 March	15,528	15,787

26. UNUSABLE RESERVES

The Group keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. This category of reserves includes those which hold unrealised gains and losses (revaluation reserve) where amounts would only become available to provide services if the assets were sold, and those which hold timing differences shown in the Movement in Reserves Statement line "adjustments between accounting basis and funding basis under regulations".

	2023/24 £000	2024/25 £000
Revaluation Reserve	100,139	101,416
Capital Adjustment Account	166,929	176,267
IAS 19 Pensions Reserve	(3,466,976)	(3,139,595)
Collection Fund Adjustment Account	4,345	3,238
Accumulated Absences Account	(6,641)	(7,068)
Financial Instrument Adjustment Account	(376)	(356)
Total	(3,202,580)	(2,866,098)

Revaluation Reserve

The revaluation reserve records the accumulated gains on the Property, Plant and Equipment held by the Group arising from increases in value, as a result of inflation or other factors. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

	2023/24 £000	2024/25 £000
Balance brought forward	100,073	100,139
Revaluation of fixed assets	8,064	2,439
Amounts written out relating to sold assets	(943)	(110)
Historical cost depreciation adjustment	(7,055)	(1,051)
Balance carried forward	100,139	101,416

Capital Adjustment Account (CAA)

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

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

	2023/24 £000	2024/25 £000
Opening Balance	152,036	166,930
Adjustment to the opening balance (IFRS16)		(2,826)
Direct Revenue Financing	17,859	28,346
Minimum Revenue Provision	2,900	1,737
Revaluation reserve write down	7,055	1,051
Receipts on disposal of fixed assets used to finance capital expenditure	2,995	3,510
Carrying value of disposed assets	(2,638)	(2,443)
Less:		
Annual depreciation and impairment	(26,338)	(31,908)
Application of Government grant and capital contributions to finance capital expenditure	13,061	11,891
Movement in ROU Assets credited to the CIES		(20)
Closing balance	166,930	176,267

IAS 19 Pension Reserve

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

	2023/24 £000	2024/25 £000
Opening balance	(3,360,926)	(3,466,976)
Remeasurement of the net defined benefit liability/(asset)	(17,887)	419,350
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(232,236)	(246,702)
Employer's pension contributions and direct payments to pensions payable in the year	144,073	156,079
Closing balance	(3,466,976)	(3,138,249)

Collection Fund Adjustment Account

This account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the general fund from the local authority Collection Funds.

	2023/24 £000	2024/25 £000
Balance at 1 April	4,904	4,345
Amount by which council tax income credited to the Comprehensive Income and Expenditure account is different from council tax income calculated for the year in accordance with statutory requirements	(559)	(1,107)
Closing balance at 31 March	4,345	3,238

Accumulated Absences Account

	2023/24 £000	2024/25 £000
Opening balance	6,114	6,641
Reversal of prior year accrual	(6,114)	(6,641)
Accrual for accumulated absences at year end	6,642	7,069
Closing balance at 31 March	6,642	7,069

Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

	2023/24 £000	2024/25 £000
Opening balance	(396)	(376)
Premiums incurred in the year and charged to the CIES	20	20
Closing balance at 31 March	(376)	(356)

27. CAPITAL GRANT INCOME

The Group credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25. All grants were credited to Taxation and Non Specific Grant Income:

	2023/24 £000	2024/25 £000
Counter Terrorism grant	6,357	11,606
Third party contributions	212	212
Total capital grant, contributions and donations	6,569	11,818

28. GRANTS RECEIVED IN ADVANCE

This account holds the revenue and capital grants and contributions which have been received with conditions attached to them. As at 31st March 2025, the conditions have not been met.

Capital Grants Received in Advance	2023/24 £000	2024/25 £000
Opening balance	715	541
Amounts received in year	6,569	361
Amounts recognised in comprehensive income and expenditure account once conditions met	(6,743)	(242)
Total Capital Grants RIA	541	660
Revenue Grants Received in Advance	2023/24 £000	2024/25 £000
Opening balance	3,833	888
Amounts received in year	888	357
Amounts recognised in comprehensive income and expenditure account once conditions met	(3,833)	(888)
Total Revenue Grants RIA	888	357

29. LEASES

Group as lessor

The gross value of assets held for use in operating leases was £5.930m (2023/24 £5.395m) for radio mast sites valued at 31st March 2025, and subject to £0.672m depreciation to 31 March 2025 (£0.670m depreciation to 31 March 2024). The Group received £0.535m in income from the use of these assets during 2024/25 (2023/24 £0.394m)

The future annual minimum lease payment, under non-cancellable operating leases, is as follows:

	2023/24 £000	2024/25 £000
Payments receivable within 12 months	178	247
Payments receivable between 1 year and 5 years	317	321
Payments receivable after 5 years	80	56
Total	575	624

30. IMPAIRMENT LOSSES ON PROPERTY PLANT AND EQUIPMENT

Details of impairment losses on Property, Plant and Equipment are disclosed in note 14..

31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The PCC's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the PCC
- Liquidity risk – the possibility that the PCC might not have funds available to meet its commitments and make payments
- Re-financing risk – the possibility that the PCC might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market risk – the possibility that financial loss might arise for the PCC as a result of changes in such measures as interest rate and stock market movements

Overall procedures for managing risk

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

- ✓ by formally adopting the requirements of the CIPFA Code of Practice on Treasury Management;
- ✓ by adopting the Treasury Policy Statement and the treasury management clauses within Financial Regulations;
- ✓ by approving annually in advance prudential and treasury indicators for the following three years limiting:

- The PCC's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures for the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- ✓ by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These are required to be reported and approved at or before the PCC's annual council tax setting budget meeting or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the PCC's financial instrument exposure. Actual performance is reported to the PCC on a quarterly basis.

The annual treasury management strategy which incorporates the prudential indicators was approved by the PCC on 8th March 2024. The key issues within the strategy were:

- The Authorised Limit for 2024/25 was set at £93.178m. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £73.178m. This is the expected level of debt and other long term liabilities during the year.

The PCC's treasury management policies are implemented by staff in the Office of the PCC (OPCC). The OPCC maintains written principles for overall risk management, as well as written policies

(Treasury Management Practices - TMPs) covering specific areas such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC's customers.

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with banks and/or building societies unless they meet identified minimum credit criteria, in accordance with Fitch, Moody's and Standard & Poor's credit rating services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet minimum investment criteria. Additional selection criteria are also considered after this initial criteria is applied.

The PCC uses the creditworthiness service provided by Link Asset Service. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard & Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

The Investment Strategy for 2024/25 was approved by the PCC on 8th March 2024

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors.

The PCC's maximum exposure to credit risk in relation to its investments in individual banks [or group] and building societies of £40m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent

experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the PCC's deposits but there was no evidence at the 31 March 2025 that this was likely to crystallise.

The following analysis summarises the PCC's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years.

	Amount at 31 March 2025 £000	Historical experience of default %	Adjustment for market conditions at March 2025 %	Estimated maximum exposure to default and write-off £000
Customers	11,276	0.25	0.06	7

Customers

Customers are assessed, taking into account their past trading experience and other factors, with new customers being subject to pre-payments for services to be received, in accordance with procedures set by the PCC.

The PCC does not generally allow credit for customers, such that £1.374m of the £11.276m balance on the Accounts Receivable ledger at 31 March 2024 is past its due date for payment (i.e. 30 day payment terms). The past due amount can be analysed by age as follows:

	31-Mar-2024 £000	31-Mar-2025 £000
Less than three months	2,786	678
Three to six months	219	261
Six months to one year	3,197	177
More than one year	78	258
Total	6,280	1,374

Liquidity Risk

The PCC manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports) as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.

The PCC has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. In addition, the PCC also has an overdraft facility with Nat West bank which can be increased in value if required. The PCC is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets is as follows:

	31-Mar-2024 £000	31-Mar-2025 £000
Less than one year	149,455	135,021
More than one year	0	0
Total	149,455	135,021

All trade and other payables are due to be paid in less than one year and are not shown in the table above.

Refinancing and Maturity Risk

The PCC maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the PCC relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC's approved treasury and investment strategies address the main risks and OPCC staff address the operational risks within the approved parameters. This includes:

- ✓ monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- ✓ monitoring the maturity profile of investments to ensure sufficient liquidity is available for the PCC's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows:

	2023/24 £000	2024/25 £000
Analysis of loans by type		
Public Works Loans Board	47,178	46,422
Total	47,178	46,422
Analysis of loans by maturity		
Short term - less than 1 year	756	0
Between 1 and 2 years	0	0
Between 2 and 5 years	6,393	6,393
Between 5 and 10 years	8,196	10,196
More than 10 years	31,833	29,833
Total	47,178	46,422

All trade and other payables are due to be paid in less than one year.

Market risk

Interest rate risk

The PCC is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the PCC, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Account will rise;
- borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances);
- investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Account will rise; and
- investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances)

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Comprehensive Income and Expenditure Statement.

The PCC has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the PCC’s prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team in the OPCC will monitor market and forecast interest rates within the year to adjust exposures appropriately.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2025, if all interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	616
Impact on Surplus or Deficit on the Provision of Services	616
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate long term borrowing liabilities (no impact on the Provision of Services or Other Comprehensive Income and Expenditure)	3,484

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price risk

The PCC does not invest in equity shares nor does it have shareholdings in joint ventures or local industry. There is therefore, no exposure to price risk.

Foreign currency risk

The PCC has no financial assets or liabilities denominated in foreign currencies.

Income received is banked immediately and converted using the spot exchange rate at the time of banking. All contracts are sought in sterling. In exceptional cases where this is not possible an additional price is sought from the contractor to fix the price in sterling. The PCC is then asked whether it wishes to pay this additional sum, or not.

Other than these exceptional cases the PCC has no exposure to loss arising from movements in exchange rates.

32. PENSIONS

Transactions relating to retirement benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Police Pension Scheme		LGPS	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Comprehensive Income and Expenditure Statement				
Cost of Services				
• current service costs	62,110	63,910	18,281	21,591
• past service costs	0	0	0	0
• curtailment and settlements	0	0	0	0
• Administration expenses	0	0	629	735
Financing and Investment Income and Expenditure				
• Net interest on defined liability	153,780	163,050	(2,564)	(2,552)
Total Post Employment Benefit Charged to the Surplus or deficit on the Provision of Services	215,890	226,960	16,346	19,774
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement				
• actuarial gains and losses and return on plan assets	33,730	(425,000)	(33,832)	(128,514)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	249,620	(198,040)	(17,486)	(108,740)
Movement in Reserves Statement				
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	215,890	226,960	16,690	19,399
Actual amount charged against council tax for pensions in the year:				
• employers' contribution payable to scheme and retirement benefits payable to pensioners	63,775	77,081	23,103	26,669

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of scheme liabilities:

	Unfunded liabilities: Police Pension Scheme		Funded liabilities: LGPS	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Opening balance at 1 April	3,336,230	3,464,880	702,202	713,260
Current service cost	36,110	35,850	19,302	22,303
Interest cost	153,780	163,050	33,079	35,332
Contributions by scheme participants	26,000	28,060	10,112	10,148
Actuarial gains (-) and losses	33,730	(425,000)	(33,832)	(128,514)
Benefits paid (net of transfers in)	(120,970)	(129,410)	(17,346)	(25,565)
Past service costs	0	0	0	20
Unfunded pension payments	0	0	(257)	(258)
Closing balance at 31 March	3,464,880	3,137,430	713,260	626,726

Reconciliation of fair value of the scheme assets:

	LGPS	
	2023/24 £000	2024/25 £000
Opening balance on 1 April	677,506	766,428
Interest on assets	35,643	40,824
Actuarial gains and losses (-)	37,275	(14,140)
Employer contributions, including unfunded benefits	23,103	26,669
Contributions by scheme participants	10,112	10,148
Benefits paid	(17,603)	(25,823)
Administration expenses	(629)	(735)
Historical adjustment between assets & liabilities	1,021	0
Closing balance on 31 March	766,428	803,371
Impact of Asset Ceiling	55,264	179,542
Net liability on LGPS	2,096	2,165

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 rates of return experienced in the respective markets.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Scheme has been assessed by the Government Actuaries Department. The County Council Fund liabilities have been assessed by Barnett Waddington, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2023.

The principal assumptions used by the actuary have been:

	Police Pension Scheme		LGPS	
	2023/24	2024/25	2023/24	2024/25
Mortality assumptions				
• Longevity at 65 for current pensioners (years)				
Men	21.9	21.9	20.8	20.7
Women	23.6	23.6	24.3	24.4
• Longevity at 65 for future pensioners (years)				
Men	23.6	23.3	22.0	22.0
Women	25.1	25.2	25.7	25.8
Rate of inflation	2.60%	2.70%	3.10%	3.10%
Rate of increase in salaries	3.85%	3.45%	3.85%	3.85%
Rate of increase in pensions - CPI	2.60%	2.70%	2.85%	2.85%
Rate of discounting scheme liabilities	4.75%	5.65%	4.95%	5.90%

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 assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decrease for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated.

Impact on the Defined Benefit Obligation:

	Police Pension Scheme		LGPS	
	Increase in assumption £ million	Decrease in assumption £ million	Increase in assumption £ million	Decrease in assumption £ million
Longevity (increase or decrease by 1 year)				
Rate of increase in salaries	67.00	(67.00)	18.42	(17.83)
• LGPS (increase or decrease by 0.1%)			0.92	(0.92)
• Police Pension (increase or decrease by 0.5%)	31.00	(31.00)		
Rate of increase in pensions				
• LGPS (increase or decrease by 0.1%)			10.66	(10.36)
• Police Pension (increase or decrease by 0.5%)	239.00	(239.00)		
Rate for discounting schemes				
• LGPS (increase or decrease by 0.1%)			(10.95)	11.26
• Police Pension (increase or decrease by 0.5%)	(240.00)	240.00		

The Police Pension Scheme has no assets to cover its liabilities. The LGPS assets consist of the following categories, by proportion of the total assets held:

	At 31 March 2024 %	At 31 March 2025 %
Equities – UK	0	0
Equities - Overseas	46	45
Gilts	9	0
Bonds	12	21
Property	6	6
Cash	1	0
Infrastructure	8	9
Alternative assets	0	0
Private Equity	5	5
Multi Asset/Diversified Fund	10	10
Private debt	3	4
TOTAL	100	100

33. NOTES TO THE CASHFLOW STATEMENT

Analysis of operating, investing and financing activities:

	2023/24 £000	2024/25 £000
<u>Operating activities</u>		
Taxation	(248,620)	(262,829)
Grants	(433,413)	(430,492)
Sales of goods and rendering of services	(91,586)	(100,252)
Interest received	(7,727)	(10,703)
Cash inflows generated from operating activities	(781,346)	(804,275)
Cash paid to and on behalf of employees	573,726	616,286
Cash paid to suppliers of goods and services	158,082	169,783
Interest paid	1,657	1,583
Cash outflows generated from operating activities	733,465	787,652
Net cash flows from operating activities	(47,881)	(16,623)
<u>Investing activities</u>		
Purchase of property, plant and equipment and intangible assets	33,914	43,746
Proceeds from the sale of property, plant and equipment	(2,977)	(3,460)
Proceeds from short and long term investments	6,000	(5,875)
Other receipts from investing activities	(6,569)	(11,818)
Net cash flows from investing activities	30,368	22,593
<u>Financing activities</u>		
Cash payments for the reduction of the outstanding liabilities relating to finance leases and PFI	1,658	391
Repayments of short and long term borrowing	(20)	736
Net cash flows from financing activities	1,638	1,127

Analysis of non-cash adjustments:

	2023/24 £000	2024/25 £000
IAS 19 pension liability	(112,859)	(118,562)
Depreciation, impairment and amortisation	(26,750)	(32,475)
Carrying amount of non-current assets sold	(3,169)	(3,028)
Premium/discount on restructuring of debt	(20)	(20)
Other non-cash items charged to deficit	6,217	11,464
(Increase)/decrease in provisions	1,156	562
Increase/(decrease) in stock	651	308
Increase/(decrease) in debtors	30,870	(12,626)
(Increase)/decrease in creditors	(48,132)	13,915
Total adjustment for non-cash items	(152,037)	(140,461)

Police Pension Fund Account Statements

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from the PCC Police Fund. This statement shows income and expenditure for the police pension schemes and does not form part of the Chief Constable or the PCC Group's statement of accounts.

Fund Account

	2023/24 £000	2024/25 £000
Contributions Receivable		
From employer		
- normal	(59,189)	(72,576)
- early retirements	(756)	(896)
From members	(26,021)	(28,599)
Transfers in		
- individual transfers in from other schemes	(512)	(97)
Benefits Payable		
- pensions	103,868	111,229
- commutations and lump sum retirement benefits	13,833	13,727
- lump sum death benefits	0	133
Payments to and on account of leavers		
- refund of contributions	46	371
- individual transfers out to other schemes	14	29
Sub-total for the year before transfer from the Group of an amount equal to the deficit	31,283	23,321
Additional funding payable by the Group to fund the deficit for the year¹	(31,283)	(23,321)
Net amount	0	

¹The annual deficit on the Police Pensions Account is funded in full by the Home Office Pension's Top-up grant. This income is shown in the PCC and Group Income and Expenditure Statement

Pension Fund Net Asset Statement

	2023/24 £000	2024/25 £000
Unpaid pension benefits	0	0
Amount owing from the general fund	0	0
Net Current Assets and Liabilities	0	0



The POLICE AND CRIME COMMISSIONER 2024/25 ACCOUNTS

Introduction

This section of the Statement of Accounts reports on the Income and Expenditure, Assets and Liabilities attributable to the Police and Crime Commissioner (PCC) for Thames Valley Police. It focuses on those discrete activities that the PCC has direct responsibility for such as community safety and commissioning services for victims and witnesses of crime. This is separate to the PCC Group accounts, which details the total income, expenditure and balance sheet position for the PCC and the Chief Constable in consolidation.

The PCC accounts have been prepared under the International Financial Reporting Standards (IFRS) using the IFRS Based Code of Practice on Local Authority Accounting.

34. Accounting policies

The accounting policies adopted by the Group have been followed in preparing the PCC accounts. Where the policy deviates from the Group policy, the PCC accounting policy is shown below

Central Government has effective control over the general operations of the PCC - it is responsible for providing the statutory framework within which the Group operates and provides the majority of its funding in the form of grants. Details of significant transactions with government departments are disclosed elsewhere in the Statement of Accounts.

The PCC recognises material contingent assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the PCC's control.

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, TOIL (time off in lieu) paid sick leave, bonuses and non-monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the PCC.

IAS 19 (Employee Benefits) requires the PCC to account for short term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are not taken by the balance sheet date. The accrual for untaken leave is charged to the provision of services, and reversed out through the Movement in Reserves Statement so that the leave is charged to the CIES in the financial year in which the holiday absence is taken.

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

Post-employment benefits

Police staff are eligible to join the Local Government Pension Scheme administered by Buckinghamshire Council. This is a funded scheme. In 2023/24 the PCC paid an employer's contribution representing 16.6% of pensionable pay. The contribution rate is determined by the Fund's actuary based on valuations every three years. Additional contributions are payable to cover the cost of any early retirements except those due to ill-health. In addition the PCC is responsible for all pension payments relating to any added years' benefits, together with the related increases.

The values for each scheme are shown separately in the notes. Assets are measured at fair value which is assessed on the basis of bid price. Liabilities are measured using the projected unit method. Liabilities are discounted at 2.00% (2.00% in 2021/22).

Transactions relating to retirement benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General fund via the Movement in Reserves Statement.

Property Plant and Equipment

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of service or for administrative purposes on a continuing basis. The de-minimus level policy is to capitalise expenditure as follows:-

Asset Type	De-Minimums £000
Buildings (including PFI)	100
Leased Buildings	10
Equipment	25
ICT (Total Collaborative project value)	50
Assets funded by capital grant	none

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the PCC and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the balance sheet at cost.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are carried in the balance sheet using the following measurement bases:

- assets surplus to requirements – measured at fair value, estimated at highest and best use from a market participant's perspective
- dwellings and other land and buildings – lower of net current replacement cost or net realisable value in existing use.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the balance sheet at current value are revalued where there have been material changes in the value and as a minimum revaluations are carried out every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognised unrealised gains.

Component assets

Where an item of PPE asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The PCC has set a policy that it will separately account for components of buildings that have a value in excess of £500,000.

The components that will be identified and separately depreciated are as follows:

- Land
- Building fabric
- Mechanical and Engineering services
- Roof
- Structures and Elevations
- Internal fabric
- External areas

The component must be valued at a minimum of £200,000 or 10% of the value of the parent asset (whichever is greater) in order to be recognised

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible write down is estimated to be material, the recoverable amount of the asset is determined and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement (CIES). Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, with an adjustment for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of, sale proceeds are transferred to the usable capital receipts reserve and the gain or loss on disposal is shown in the CIES

Depreciation

This is provided for all assets with a useful finite life, by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use, on a straight line basis over the useful life of the property as estimated by the valuer

Where an asset has major components with different estimated useful lives, these are depreciated separately.

Grants and contributions

Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the PCC has not satisfied. In that event the amount subject to condition is transferred to the capital grants receipts in advance account. Where the conditions of the grant / contribution are satisfied, but expenditure for which grant is given has not yet been incurred, then such sums will continue to be transferred to the capital grants unapplied reserve.

Contingent Liabilities and Assets

The PCC recognises material contingent assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the PCC's control.

PCC Movement in Reserves Statement for the years ended 31st March 2024 and 2025

	Note	General Fund £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Note		25	8	25	25	25	47	
Balance at 31st March 2023		19,928	85,436	3,737	6,317	115,419	291,314	406,732
<u>Movement in reserves during 2023/24</u>								
Total comprehensive Expenditure and Income		11,134	0	0	0	11,134	8,932	20,066
Adjustments between accounting basis & funding basis under regulations	37	448		(18)	(6,317)	(5,887)	5,887	0
Net increase/Decrease before transfers to Earmarked Reserves		11,582	0	(18)	(6,317)	5,247	14,819	20,066
Transfers to (-) /from earmarked reserves		(15,986)	15,986	0	0	0	0	0
Increase/Decrease in Year		(4,404)	15,986	(18)	(6,317)	5,247	14,819	20,066
Balance at 31st March 2024 carried forward		15,524	101,422	3,719	0	120,666	306,133	426,798
<u>Movement in reserves during 2024/25</u>								
Opening Balance adjustment (IFRS 16)		0	0	0	0	0	(2,826)	(2,826)
Total comprehensive Expenditure and Income		111	0	0	0	111	2,514	2,625
Adjustments between accounting basis & funding basis under regulations	36	(11,603)	0	(50)	0	(11,653)	11,652	0
Net increase/Decrease before transfers to Earmarked Reserves		(11,492)		(50)		(11,542)	11,341	(202)
Transfers to (-) /from earmarked reserves	8	11,752	(11,752)	0	0	0	0	0
Increase/Decrease in Year		260	(11,752)	(50)	0	(11,542)	11,341	(202)
Balance at 31st March 2025 carried forward		15,784	89,671	3,669	0	109,125	317,474	426,597

PCC Expenditure and Funding Analysis Disclosure note 2024/25

The Expenditure and Funding Analysis is a disclosure note that shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the departments Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. See note 35 for more details. Please note that this is not a primary statement.

	2023/24			2024/25		
	Net expenditure charged to general fund £000	Adjustments between Accounting basis & Funding basis £000	Net expenditure in the CIES £000	Net expenditure charged to general fund £000	Adjustments between Accounting basis & Funding basis £000	Net expenditure in the CIES £000
PCC						
Office of the PCC	1,475	74	1,549	1,845	80	1,925
Democratic representation	159	0	159	157	0	157
Other costs	8,150	6,552	14,702	20,695	(555)	20,140
Commissioned services	2,205	0	2,205	3,153	0	3,153
Cost of Services	11,989	6,626	18,615	25,850	(475)	25,375
Other income & expenditure	(23,570)	(6,178)	(29,748)	(14,357)	(11,128)	(25,486)
(Surplus) or Deficit	(11,582)	448	(11,134)	11,493	(11,603)	(111)
Opening General Fund Balance	19,931			15,527		
Add (surplus) or Deficit	11,582			(11,493)		
Transfers to/from reserves & General Balances	(15,986)			11,752		
Closing General Fund Balance	15,527			15,786		

PCC Comprehensive Income and Expenditure Statement 2024/25

		2023/24			2024/25		
		Gross expenditure £000	Gross Income £000	Net Expenditure £000	Gross expenditure £000	Gross Income £000	Net Expenditure £000
Office of the PCC		1,549	0	1,549	1,925	0	1,925
Democratic representation		159	0	159	157	0	157
Other costs		14,702	0	14,702	20,140	0	20,140
Commissioned services		9,577	(7,372)	2,205	9,944	(6,791)	3,153
Cost of Services before funding		25,986	(7,372)	18,615	32,166	(6,791)	25,375
Intra group funding				544,313			573,828
Net cost of services				562,928			599,203
Other operating Expenditure:							
Gain/loss on disposal	38a			(2,170)			(394)
Levies to national police service				0			0
Financing & investment income & expenditure:							
Interest payable	38b	1,641		1,641	1,536		1,536
Pensions interest cost	38b	8		8	(9)		(9)
Interest & investment income	38b		(9,400)	(9,400)		(9,819)	(9,819)
ROU Asset	38b			0			20
Taxation & non-specific grant income	38c		(564,139)	(564,139)		(590,648)	(590,648)
Surplus/deficit on provision of service				(11,134)			(111)
Surplus/deficit on revaluation of fixed assets				8,064			3,480
Remeasurement of net defined liability				869			(966)
Other gain/loss				0			0
Total other comprehensive Income and Expenditure				8,932			2,514
Total comprehensive Income & Expenditure				(2,202)			2,404

The Balance Sheet for the PCC

This shows the value at 31st March of the assets and liabilities recognised by the PCC. Net assets are matched by the reserves held by the PCC. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the PCC may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the capital receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the PCC is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31/03/2024 £000		Note	31/03/2025 £000
	<u>Long Term Assets</u>		
291,008	Property, Plant and Equipment	42	304,916
0	Right of Use Assets	42	11,109
469	Long term debtors	44	391
371	Asset related to defined benefit pension schemes	48	0
291,848	Total Long Term Assets		316,416
	<u>Current Assets</u>		
119,570	Short term investments	17	112,810
30,231	Short term debtors	44	38,548
29,605	Cash and cash equivalents	20	22,508
480	Assets held for sale	21	480
33,199	Intra group balance	4	29,990
213,084	Total Current Assets		204,336
	<u>Current Liabilities</u>		
(2,045)	Short term borrowing	17	(1,261)
(23,441)	Short term creditors	45	(27,615)
(888)	Revenue Grants Received in Advance	28	(357)
0	Short term Right of Use Asset Liability	14	(130)
(30)	Accumulated absences	47	(27)
(26,404)	Total Current Liabilities		(29,390)
	<u>Long Term Liabilities</u>		
(51,232)	Long term borrowing	17	(50,278)
0	ROU Asset Liability	14	(13,825)
(540)	Capital grants received in advance	28	(660)
(51,771)	Total Long Term Liabilities		(64,762)
426,757	Net Assets / (liabilities)		426,599
	<u>Reserves</u>		
120,667	Usable reserves	25	109,125
306,090	Unusable reserves	47	317,475
426,757	Total Reserves		426,599

These financial statements replace the unaudited financial statements confirmed by Martin Thornley Chief Finance Officer on 19th February 2026.

Martin Thornley

The Cash Flow Statement for the PCC

This statement shows the change in the PCC's cash and cash equivalents during the reporting period. The statement shows how the PCC generated and used 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 PCC are funded by taxation and grant income or from the recipients of services provided by the PCC. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCC's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCC.

	Note	At 31 March 2024 £000	At 31 March 2025 £000
Net (surplus)/deficit on the provision of services		(11,134)	(111)
Adjust net (surplus)/deficit for non cash movements		7,435	(20,247)
Adjust for items included in (surplus)/deficit that are investing and financing activities		2,785	3,735
Net cash flows from Operating Activities		(914)	(16,622)
Investing Activities	49	15,150	22,593
Financing Activities	49	1,638	1,127
Net increase (-) or decrease in cash and cash equivalents		15,874	7,097
Cash and cash equivalents at the beginning of the reporting period	20	(13,732)	(29,605)
Cash and cash equivalents at the end of the reporting period	20	(29,605)	(22,508)

35. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the PCC to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

- a. Establishing the valuations of operational and residential properties (see Note 14 for details of amounts and the valuation process involved). Depreciation is a calculation by the system, based on asset value and expected useful life of the asset. If the useful life of an asset is reduced then the depreciation charge to CIES will increase. The PCC monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year
- b. We have reviewed all property leases to determine which ones, if any, need to be treated as a finance lease. The outcome of that review is that only the Abingdon PFI scheme needs to be treated as a finance lease; all other property leases are operating leases. The Group has procured a fleet of multifunctional printing devices. The contract for the supply of the service has been reviewed and has been deemed to be a finance lease. The Group has also entered into a contract for a supported, managed and monitored network and voice service. This has also been determined to be a finance lease. Further details of both leases can be found in note 29

- c. The costs of a pension arrangement require estimates regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the PCC as advised by their actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- d. A judgement has been made of the expenditure allocated between the PCC and Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the PCC in accordance with the standard set of activities for each corporate body identified in CIPFA's published guidance at the time (SeRCOP). In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the PRSR Act and Home Office guidance.
- e. All surplus properties owned by the PCC have been reviewed and have been judged to meet the criteria of surplus properties rather than investment properties
- f. On 1st April 2018, significant changes were made to IFRS 9 (Financial Instruments). This has resulted in new classification categories for financial assets and liabilities.
- g. Investments and loans have been assessed at year end and as all investments are made solely for payments of principal and interest, a judgement has been made that they should all be held at amortised cost.

36. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments from General Fund to arrive at the CIES amounts	2023/24				2024/25			
	Adjustments for capital purposes £000	Net change for the pensions Adjustments £000	Other differences £000	Total Adjustments £000	Adjustments for capital purposes £000	Net change for the pensions Adjustments £000	Other differences £000	Total Adjustments £000
PCC								
Office of the PCC		71	3	74		83	(3)	80
Democratic representation				0				0
Other costs	6,552			6,552	(555)			(555)
Commissioned services				0				0
Net cost of services	6,552	71	3	6,626	(555)	83	(3)	(475)
Other income & expenditure from the expenditure & funding analysis	(6,717)		539	(6,178)	(12,216)		1,087	(11,128)
Difference between General Fund & surplus or deficit and CIES statement surplus or deficit on the provision of services	(165)	71	542	448	(12,770)	83	1,084	(11,603)

37. 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 Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the PCC to meet future capital and revenue expenditure. All items are adjustments between the general fund balance and the unusable reserves shown below.

2024/25 Adjustments

	General Fund Balance £000	Capital Receipts Reserve £000	Unusable Reserves £000
Adjustments to the Revenue Resources			
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:			
Pensions costs (transferred to or from the pensions reserve)	83		(83)
Financial instruments (transferred to the financial instruments adjustment account)	(20)		20
Council tax (transfers to or from the collection fund adjustment account)	1,107		(1,107)
Holiday Pay (transferred to the accumulated absences account)	(3)		3
Non-current assets written off on disposal (charged to capital adjustment account)	1,981		(1,981)
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	4,492		(4,492)
Total Adjustments to the Revenue Resources	7,640		(7,640)
Adjustments between revenue and capital Resources			
Transfer of non-current asset sale proceeds from revenue to capital receipts reserve	(2,326)	2,326	
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(1,737)		1,737
Capital expenditure financed from revenue balances	(15,180)		15,180
Total Adjustments between revenue and Capital Resources	(19,243)	2,326	16,917
Adjustments to capital resources			
Use of capital receipts reserve to finance capital expenditure		(2,375)	2,375
Total Adjustments to capital resources	0	(2,375)	2,375
Total Adjustments	(11,603)	(49)	11,652

2023/24 Adjustments

	General Fund Balance £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Unusable Reserves £000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to or from the pensions reserve)	71			(71)
Financial instruments (transferred to the financial instruments adjustment account)	(20)			20
Council tax (transfers to or from the collection fund adjustment account)	559			(559)
Holiday Pay (transferred to the accumulated absences account)	3			(3)
Non-current assets written off on disposal (charged to capital adjustment account)	2,198			(2,198)
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	7,576			(7,576)
Total Adjustments to the Revenue Resources	10,387	0	0	(10,387)
Adjustments between revenue and capital Resources				
Transfer of non-current asset sale proceeds from revenue to capital receipts reserve	(2,170)	2,170		
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(2,900)			2,900
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(4,868)			4,868
Total Adjustments between revenue and Capital Resources	(9,938)	2,170	0	7,768
Adjustments to capital resources				
Use of capital receipts reserve to finance capital expenditure		(2,188)		2,188
Application of capital grants to finance capital expenditure	0		(6,317)	6,317
Total Adjustments to capital resources	0	(2,188)	(6,317)	8,505
Total Adjustments	448	(18)	(6,317)	5,887

38. ANALYSIS OF ITEMS IN COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

a) Other operating Expenditure

	2023/24 £000	2024/25 £000
Gain (-)/loss on disposal of fixed asset	(2,170)	(394)
Total Operating Expenditure	(2,170)	(394)

b) Financing and Investment income and expenditure

	2023/24 £000	2024/25 £000
Interest payable	1,641	1,536
Pensions interest cost on net defined benefit liability	8	(9)
Subtotal Financing and Investment expenditure	1,649	1,527
Interest and investment income	(9,400)	(9,819)
ROU Assets	0	20
Total Operating Expenditure	(7,751)	(8,272)

c) Taxation and non-specific grant income

	2023/24 £000	2024/25 £000
Police Grant	(174,033)	(187,873)
Formula Grant	(88,740)	(90,562)
Council tax	(248,620)	(262,829)
Pensions top up grant	(31,283)	(23,321)
Capital grants and contributions	(6,744)	(11,891)
Council tax legacy grant	(14,720)	(14,171)
Total taxation and non specific grant income	(564,139)	(590,648)

d) Specific grant income

	2023/24 £000	2024/25 £000
MoJ Victims & Witnesses grant	(4,562)	(4,702)
Home Office Grant	(2,809)	(2,089)
Total specific grant income	(7,372)	(6,791)

39. OFFICERS' REMUNERATION

<u>Office of the Police and Crime Commissioner</u>	Year	Note	Salary, Fees & Allowance £	Total Remuneration excluding Pensions £	Pension Contribution £	Total £
Gillian Ormston (Chief Executive)	2023/2024		101,151	101,151	16,791	117,942
	2024/2025		129,138	129,138	22,310	151,447
Martin Thornley (Chief Finance Officer)	2023/2024		91,685	91,685	20,238	111,923
	2024/2025		119,369	119,369	21,407	140,776

<u>Police and Crime Commissioner</u>	Year	Note	Salary, Fees & Allowance £	Total Remuneration excluding Pensions £	Pension Contribution £	Total £
Matthew Barber (PCC)	2023/2024		88,600	88,600	14,708	103,308
	2024/2025		88,600	88,600	15,505	104,105

The following sums have been paid to the PCC's Statutory Officers.

The following table shows the number of staff employed and paid directly by the PCC whose total remuneration package exceeded £50,000. In this respect, total remuneration comprises gross pay as recorded on employee's P60 tax returns, together with taxable benefits in kind as disclosed to the HMRC on Form P11D. This table excludes those senior officers whose salaries etc. are disclosed separately above, as well any staff who, as at 31st March 2025, are seconded to national bodies such as the College of Policing.

Total Remuneration £	2023/24	2024/25
80,000 – 84,999	0	1
75,000 – 79,999	0	2
70,000 – 74,999	1	2
65,000 – 69,999	4	1
60,000 – 64,999	0	1
55,000 - 59,999	2	1
50,000 – 54,999	2	3
Total	9	11

40. FEES PAID TO EXTERNAL AUDIT

The PCC has incurred the following costs in relation to the audit of the Statement of Accounts by the PCC's external auditors, Ernst and Young:

	2023/24 £000	2024/25 £000
Fees payable in relation to auditing the PCC accounts by the appointed auditor for the year	180	122
Total fees	180	122

41. RELATED PARTY TRANSACTIONS

Members and Chief Officers are required to declare whether they, or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the PCC Group during the financial year. The Chief Financial Officer has written to the PCC, deputy PCC and chief officers to collect this information.

During 2024/25 there were no related parties disclosed

42. PROPERTY PLANT AND EQUIPMENT (PPE)

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

Movement on Fixed Assets 2024/25 movements

	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Vehicles Plant and Equipment £000	Surplus Assets £000	Assets under construction £000	Total £000	ROU £000
Cost or Valuation								
At 1st April 2024	197,578	7,275	1,417	7,298	10,685	69,224	293,478	0
IFRS Adj	(10,619)					0	(10,619)	10,798
Additions	931			78		30,911	31,920	
Revaluation increases /(decreases) to RR	12,871	(75)			748		13,544	311
Revaluation increases /(decreases) to SDPS	(6,608)				(57)	0	(6,665)	
Disposals		(1,719)	(262)	(79)			(2,060)	
Reclassifications	7,950					(7,950)	0	
Write out fully depreciated assets								
Depreciation written out on revaluation	(8,023)				(1,158)		(9,181)	
At 31st March 2025	194,080	5,482	1,155	7,297	10,218	92,185	310,417	11,109
Depreciation and Impairment								
At 1st April 2024	223	1	0	1,292	954	0	2,470	0
Depreciation charge	8,480				1,158		9,638	
Depreciation written out on revaluation	(8,023)				(1,158)		(9,181)	
Disposal								
Impairment	2,574						2,574	
Reclassifications								
At 31st March 2025	3,254	1	0	1,292	954	0	5,501	
Net Book Value								
At 31st March 2025	190,826	5,481	1,155	6,005	9,264	92,185	304,916	11,109

RR = Revaluation Reserve

SDPS = Surplus or Deficit in Provision of Services

2023/24 movements

	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Vehicles Plant and Equipment £000	Surplus Assets £000	Assets under construction £000	Total £000
Cost or Valuation							
At 1st April 2023	202,771	7,100	1,417	7,298	9,498	56,752	284,836
Additions	413	0	0		0	15,537	15,950
Revaluation increases /(decreases) to RR	6,522	355			1,187		8,064
Revaluation increases /(decreases) to SDPS	(3,109)						(3,109)
Disposals	(1,890)	(180)			0	(17)	(2,087)
Reclassifications	3,048					(3,048)	0
Write out fully depreciated assets							0
Depreciation written out on revaluation	(10,176)						(10,176)
At 31st March 2024	197,578	7,275	1,417	7,298	10,685	69,224	293,478
Depreciation and Impairment							
At 1st April 2023	1,361	1	0	1,015	(204)	0	2,173
Depreciation charge	9,038			277	1,158		10,473
Depreciation written out on revaluation	(10,176)						(10,176)
Disposal							0
Write out fully depreciated assets							0
Reclassifications							0
At 31st March 2024	223	1	0	1,292	954	0	2,470
Net Book Value							
At 31st March 2024	197,355	7,274	1,417	6,006	9,731	69,224	291,007

RR = Revaluation Reserve

SDPS = Surplus or Deficit in Provision of Services

Impairment

In the above table relating to 2024/25 there is an impairment of £2.574m. This relates to our Meadow House offices in Kidlington. The building is currently not able to be used operationally due to water damage caused by burst pipes. Therefore this building is not bringing us any operational benefit.

Authority as Lessee - Right of Use Assets

The authority's lease contracts comprise leases of operational land and buildings. Most are individually immaterial, however we do have 12 leases that have term longer than 30 years and have a value of £8.144m as at 31.03.2025.

The table above includes a Right of Use asset column which shows the change in the value of right to use assets held under leases by the authority.

Maturity analysis of lease liability

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

	31 March 2025 £000
Payable in 2025/26	130
Payable within 1 to 5 years	7,447
More than 5 years	6,378
Total	13,955

Revaluations

Thames Valley Police's property valuers is Lambert Smith Hampton - Commercial Surveyors and Property Consultants. This company have been commissioned to undertake a rolling programme of valuation of one fifth of the property portfolio each year with the remainder being subject to a desktop valuation to ensure that an appropriate value for all properties is maintained within the accounts.

Properties were valued at 1st March 2021 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

The significant assumptions applied in estimating the fair values are:

- The condition of the properties at the date of valuation is identical to that found at the date of the valuer's inspection
- There is no significant risk of contamination to the properties
- No deleterious material has been used in the construction of the properties
- The ground conditions are satisfactory for a traditional method of construction and that there are no contaminating or deleterious materials present which may prevent the development of the sites.
- The uses being carried out in each of the properties is an authorised planning use and that the buildings have been erected with full planning permission
- The properties and their value are unaffected by any matters which will be revealed by a local search or by any statutory notice.
- The properties comply with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

Fair Value disclosures for surplus assets

Details of the PCC's surplus assets and information about the fair value hierarchy as at 31 March 2025 are as follows:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1) £000	Other significant observable inputs (level 2) £000	Significant unobservable inputs (level 3) £000	Fair value as at 31 March 2025 £000
Surplus operational properties		5,787		5,787
Surplus land		3,961		3,961
Telecommunications sharing sites		281		281
Total		10,029		10,029

Comparative figures for 2023/24 are:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1) £000	Other significant observable inputs (level 2) £000	Significant unobservable inputs (level 3) £000	Fair value as at 31 March 2024 £000
Surplus operational properties		6,025		6,025
Surplus land		4,238		4,238
Telecommunications sharing sites		281		281
Total		10,544		10,544

Transfer between levels of fair value hierarchy

There were no transfers between levels 1 and 2 during the year

Valuation techniques used to determine level 2 and level 3 fair values for surplus assets

Significant observable inputs – level 2

The fair value for all the surplus assets shown in the table above are based on quoted prices for similar properties in active markets. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at level 2 in the fair value hierarchy

Significant unobservable inputs – level 3

There are no properties categorised at level 3 in the fair value hierarchy.

Valuation process for surplus assets

The fair value of surplus assets is measured annually at 1st March by external valuation experts Lambert Smith Hampton. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors and in conjunction with the Chief Constables' finance team. There have been no changes in valuation techniques used during the year

Capital commitments

The following significant amounts are outstanding on capital contracts which have been entered into by the Chief Constable as at 31 March 2025. The amounts shown are the Thames Valley Police share of the Commitment. Where there is a total joint commitment to the contract by multiple forces, this value is shown in brackets.

This is an increase of £7.275m from 2024/25 (£16.920m 2023/24) mainly due to being part was through two major projects, with a significant amount of works still to be complete

	£000
Building Projects	24,195
Total	24,195

43. CAPITAL EXPENDITURE AND FINANCING

The PCC spent £31.841m on the acquisition and enhancement of long term assets in 2024/25, as the following table shows

	2023/24 £000	2024/25 £000
Land and buildings	15,950	31,841
Vehicles, plant and other equipment	0	0
Information, communications and technology	0	0
Total tangible fixed asset expenditure	15,950	31,841
Intangible assets (i.e. computer software licences)	0	0
Total Capital Expenditure	15,950	31,841

44. DEBTORS

	2023/24 £000	2024/25 £000
Amounts falling due after more than one year		
Trade receivables	0	0
Prepayments	469	391
Other receivable amounts	0	0
Total long term debtors	469	391
Amounts falling due within one year		
Trade receivables	0	0
Prepayments	0	0
Other receivable amounts	30,231	38,548
Less provision for doubtful debts		
Total current debtors	30,231	38,548
Total debtors	30,700	38,939

45. CREDITORS

	2023/24 £000	2024/25 £000
Trade payables	5,653	8,223
Other payables	17,787	19,391
Total Creditors	23,441	27,615

46. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31st March 2025, there are no known contingent assets or liabilities

47. UNUSABLE RESERVES

The PCC keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. This category of reserves includes those which hold unrealised gains and losses (revaluation reserve) where amounts would only become available to provide services if the assets were sold, and those which hold timing differences shown in the Movement in Reserves Statement line “adjustments between accounting basis and funding basis under regulations”

	2023/24 £000	2024/25 £000
Revaluation Reserve	100,138	101,416
Capital Adjustment Account	201,641	213,203
IAS 19 Pensions Reserve	371	0
Collection Fund Adjustment Account	4,345	3,238
Accumulated Absences Account	(30)	(27)
Loan Redemption Account	(376)	(356)
Total	306,090	317,475

Revaluation Reserve

The revaluation reserve records the accumulated gains on the Property, Plant and Equipment held by the Group arising from increases in value, as a result of inflation or other factors. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

	2023/24 £000	2024/25 £000
Balance brought forward	100,073	100,139
Revaluation of fixed assets	8,064	2,439
Amounts written out relating to sold assets	(943)	(110)
Historical cost depreciation adjustment	(7,055)	(1,051)
Balance carried forward	100,139	101,416

Capital Adjustment Account (CAA)

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

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

	2023/24 £000	2024/25 £00
Opening Balance	187,162	201,641
Adjustment to opening balance (IFRS 16)		(2,826)
Direct Revenue Financing	4,868	14,289
Minimum Revenue Provision	2,900	1,337
Voluntary Revenue Provision	0	400
Revaluation reserve write down	7,055	1,051
Receipts on disposal of fixed assets	2,170	2,375
Carrying value of disposed assets	(2,198)	(1,973)
Reversal of past losses on upwards revaluations	531	584
Less:		
Annual depreciation and impairment	(13,908)	(15,547)
Application of Government grant and capital contributions to finance capital expenditure	13,061	11,891
Movement in ROU Asset credited to the CIES	0	(20)
Closing balance	201,641	213,203

IAS 19 Pension Reserve

	2023/24 £000	2024/25 £000
Opening balance	(303)	371
Remeasurement of the net defined benefit liability/(asset)	683	938
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(280)	(306)
Employer's pension contributions and direct payments to pensions payable in the year	271	343
Closing balance	371	1,346

Collection Fund Adjustment Account

This account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the general fund from the local authority Collection Funds.

	2023/24 £000	2024/25 £000
Balance at 1 April	4,903	4,345
Amount by which council tax income credited to the Comprehensive Income and Expenditure account is different from council tax income calculated for the year in accordance with statutory requirements	(559)	(1,107)
Balance at 31 March	4,345	3,238

Accumulated Absences Account

	2023/24 £000	2024/25 £000
Opening balance	(27)	(30)
Reversal of prior year accrual	27	30
Accrual for accumulated absences at year end	(30)	(27)
Closing balance	(30)	(27)

48. PENSIONS

The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2023/24 £000	2024/25 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
• current service costs	276	308
• past service costs	0	0
• curtailment and settlements	0	0
• Administration expenses	6	7
Financing and Investment Income and Expenditure	8	(9)
• Net interest on defined liability		
Total Post Employment Benefit Charged to the Surplus or deficit on the Provision of Services	290	306
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
• actuarial gains and losses and return on plan assets	(300)	(1,374)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(10)	(1,068)
Movement in Reserves Statement		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	290	306
Actual amount charged against council tax for pensions in the year:		
• employers' contribution payable to scheme	271	343
• retirement benefits payable to pensioners		

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of scheme liabilities:

	Funded liabilities: LGPS	
	2023/24 £000	2024/25 £000
Opening balance at 1 April	6,923	7,215
Current service cost	276	308
Interest cost	332	355
Contributions by scheme participants	134	148
Actuarial gains (-) and losses	(300)	(1,374)
Benefits paid (net of transfers in)	(150)	(234)
Closing balance at 31 March	7,215	6,418

Reconciliation of fair value of the scheme assets:

	2023/24 £000	2024/25 £000
Opening balance on 1 April	6,620	7,586
Interest on assets	324	382
Actuarial gains and losses (-)	393	(115)
Employer contributions, including unfunded benefits	271	343
Contributions by scheme participants	134	148
Benefits paid	(150)	(234)
Administration expenses	(6)	(7)
Closing balance on 31 March	7,586	8,103
Net Liability on LGPS	(371)	(1,685)
Impact of Asset Ceiling	371	1,685
Net liability on LGPS	0	0

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 rates of return experienced in the respective markets.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The County Council Fund liabilities have been assessed by Barnett Waddington, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2019.

The principal assumptions used by the actuary have been:

	2023/24 £000	2024/25 £000
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions		
• Longevity at 65 for current pensioners (years)		
Men	20.8	20.7
Women	24.3	24.4
• Longevity at 65 for future pensioners (years)		
Men	22.0	22
Women	26.0	25.8
Rate of inflation - CPI	2.9%	3.15%
Rate of increase in salaries	3.9%	3.85%
Rate of increase in pensions	2.9%	2.85%
Rate of discounting scheme liabilities	4.95%	5.90%

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 assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decrease for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated.

Impact on the Defined Benefit Obligation

	LGPS	
	Increase in assumption £000	Decrease in assumption £000
Longevity (increase or decrease by 1 year)	163	(159)
Rate of increase in salaries	169	(5)
Rate of increase in pensions	103	(100)
Rate for discounting schemes	(112)	115

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

	31 March 2024	31 March 2025
	%	%
Equities – UK	0	12
Equities - Overseas	46	45
Gilts	9	0
Bonds	12	9
Property	6	6
Cash	1	0
Infrastructure	8	9
Multi Asset/Diversified Income	10	10
Private Equity	5	5
Private debt	3	4
Total	100	100

49. NOTES TO THE CASHFLOW STATEMENT

Analysis of operating, investing and financing activities:

<u>Operating activities</u>	2023/24 £000	2024/25 £000
Taxation	(248,620)	(262,829)
Grants	(433,413)	(430,492)
Sales of goods and rendering of services	(91,586)	(100,252)
Interest received	(7,727)	(10,703)
Cash inflows generated from operating activities	(781,346)	(804,275)
Cash paid to and on behalf of employees	573,726	616,286
Cash paid to suppliers of goods and services	158,082	169,783
Interest paid	1,657	1,583
Other payments for operating activities	0	0
Cash outflows generated from operating activities	733,465	787,652
Net cash flows from operating activities	(47,881)	(16,623)
<u>Investing activities</u>		
Purchase of property, plant and equipment and intangible assets	17,871	11,905
Purchase of short and long term investments	0	0
Proceeds from the sale of property, plant and equipment	(2,152)	(2,326)
Proceeds from short and long term investments	6,000	(5,875)
Other receipts from investing activities	(6,569)	(11,818)
Net cash flows from investing activities	15,150	(8,114)
<u>Financing activities</u>		
Cash receipts of short and long term borrowing	0	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and PFI	1,658	391
Repayments of short and long term borrowing	(20)	736
Net cash flows from financing activities	1,638	1,127



Annual Governance Statement 2024/25

This Annual Governance Statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Thames Valley have This Annual Governance Statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Thames Valley jointly complied with their published corporate governance framework for the year ended 31 March 2025 including plans for the financial year 2025/26.

A glossary of terms is provided at the end of the Statement of Accounts.

Executive Summary

The Police Reform and Social Responsibility Act 2011 established the PCC and Chief Constable as separate legal entities on 22nd November 2012, allowing them to own assets and employ staff. The PCC is responsible for policing within their area and holds the Chief Constable accountable for operational delivery.

The PCC receives all funding for policing, including government grants and other income, and allocates it in consultation with the Chief Constable. The PCC is accountable to the public for managing the Police Fund.

The PCC and CC ensure business is conducted lawfully and with proper governance, safeguarding public money and using it efficiently. Both the PCC and Chief Constable have chief financial officers responsible for the efficient use of public funds. The PCC must secure continuous improvement in their functions, focusing on economy, efficiency, and effectiveness.

The PCC and CC are responsible for governance and risk management. The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of effective and efficient policing, resource management, and expenditure, while maintaining operational independence. They also ensure proper risk management and internal control systems. The Policing Protocol Order 2023 requires the PCC and Chief Constable to follow the Nolan Principles of conduct: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership, which are included in the PCC's Code of Conduct.

The College of Policing 'Code of Ethics' 2024 applies to every individual who works in policing, including the Chief Constable and PCC. The Code of Ethics sets out ethical principles of Courage, Respect and Empathy, and Public Service.

In addition, the statutory Code of Practice for Ethical Policing gives direction to the Chief Constable on promoting and supporting ethical and professional behaviour within the force.

(Copies of the PCC's Code of Conduct and the College of Policing's Code of Ethics can be found at: https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code_of_Ethics.pdf)

In addition, from an organisational perspective, the PCC and Chief Constable have approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA / SOLACE guidance 'Delivering Good Governance in Local Government' (<http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>)

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the Code and the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of the system of internal control.



THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance ensures that intended outcomes for stakeholders are defined and achieved. In the public sector, good governance ensures that entities like the PCC and Chief Constable achieve their goals while acting in the public interest.

The governance framework includes the systems, processes, culture, and values by which the PCC and Chief Constable fulfil their responsibilities and engage with the community. It allows the PCC to monitor strategic objectives and assess whether they deliver cost-effective services and value for money.

The system of internal control, a key part of this framework, manages risk to a reasonable level. While it can't eliminate all risks, it provides reasonable assurance of effectiveness. This system continuously identifies, prioritizes, and manages risks to achieve policies, aims, and objectives efficiently and economically.

THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and Thames Valley Police (TVP) include:

A. **Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The PCC and Chief Constable have established a 'Joint Corporate Governance Framework' to clarify their working relationship and that of their staff. This framework includes the code of corporate governance, the scheme of delegation, and financial regulations. It aligns with 'The Good Governance Standard for Public Services' and the seven Nolan Principles.

The College of Policing's 'Code of Ethics' 2024 guides everyone in policing, outlining ethical principles such as Courage, Respect, Empathy, and Public Service.

In addition, the statutory Code of Practice for Ethical Policing 2023 gives direction to the Chief Constable on promoting and supporting ethical and professional behaviour within the force.

Measures are in place to ensure that the PCC, Deputy PCC (when appointed) and employees of the Office of the PCC (OPCC) and TVP are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. This includes the Anti-Fraud, Bribery and Corruption Policy and guidance on the acceptance of gifts, loans and hospitality. Disclosable interests and a register of gifts and hospitality are published on the PCC and the Force websites.

The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public.

The statutory Code of Practice for Ethical Policing 2023 directs the Chief Constable to promote ethical and professional behaviour within the force.

The Professional Standards Department (PSD) upholds TVP's ethical and professional standards, manages police misconduct regulations, and handles public complaints about service quality and conduct. The PCC reviews complaints against the Force to improve transparency and accountability. Complaints against the Chief Constable are handled by the PCC, while the Thames Valley Police and Crime Panel (PCP) handles formal complaints against the PCC.

The PCC and Chief Constable have jointly undertaken a scrutiny review and have replaced the Professional and Ethical Standards Panel with a new Complaints and Standards Committee and Ethics Think Tank. These panels independently review issues relating to complaints, integrity, ethics and professional standards. They will provide regular updates on the PCC/TVP websites in 2025 to promote public confidence. They will also produce annual reports at the end of FY 25-26 to provide a clear overview of the issues they have been considering and their activities in scrutinising or advising on these. In 2023, the Independent Scrutiny and Oversight Board (ISOB) was established to provide independent oversight of Thames Valley Police's Race Action Plan. They have met regularly during FY 24-25 and have strengthened their number of board members through proactive recruitment processes.



There are now 9 out of the 10 board members recruited who represent the whole of the geographical landscape of the Thames Valley Community.

Through the scrutiny review undertaken and establishment of the TVP Trust and Confidence Board, mechanisms have been put into place to ensure that there is accountability and governance surrounding all of the independent scrutiny arrangements.

Both the PCC and Chief Constable must respect the rule of law and comply with relevant regulations, supported by in-house legal advisors. The PCC is independent of Force management, which is the Chief Constable's responsibility. Mechanisms seek to ensure neither breaches legal powers. The PCC follows the PCC's Code of Conduct and Oath of Office, while the Chief Constable and police staff adhere to the College of Policing's Code of Ethics, consistent with the Nolan principles. The Chief Executive of the OPCC is also the designated statutory Monitoring Officer, and the OPCC Head of Governance is Deputy Monitoring Officer, with responsibility for advising on the legality and appropriateness of the PCC's actions and decisions.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with good practice. Guidance originating from the Home Office, College of Policing and NPCC is disseminated Force-wide by the Learning and Development Team in People Services and/or the Policing Strategy Unit. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (APACE) and Police and Crime Commissioners' Treasurers Society (PACCTS), and is disseminated within the OPCC.

The Force employs a Force Vetting Manager and team within the Professional Standards Department to ensure compliance with relevant national vetting standards.

B. Ensuring openness and comprehensive stakeholder engagement

The PCC must consult the Chief Constable, community, and crime victims about policing in the Force area. They must consider these views and the priorities of local authorities and government bodies before issuing the Police and Crime Plan.

The plan must be published by the end of the financial year in which the PCC is elected and can be reviewed and revised as needed. This ensures local policing services address community priorities and hold the Force accountable for service delivery.

The PCC's 'Police and Crime Plan 2024 - 2029' outlines strategic policing and crime reduction priorities for his tenure. It is supported by the Force's Strategic Plan, the OPCC's Strategic Delivery Plan, and the Corporate Financial Strategy outlined in the budget papers. The plan considers the Strategic Policing Requirement from the Home Secretary and is developed with input from the Chief Constable, local community, crime victims, and key stakeholders.

The independent Thames Valley Police and Crime Panel regularly reviews and scrutinizes the PCC's decisions, actions, and performance in delivering the plan's priorities. It also reviews the PCC's proposed annual council tax precept increase, the Police and Crime Plan, Annual Report, and senior appointments for roles such as Deputy PCC, Chief Constable, OPCC Chief Executive, and OPCC Chief Finance Officer.

Arrangements are in place for the PCC to hold the Chief Constable accountable for Force performance and compliance. These include formal public Performance and Accountability Meetings, with reports and agendas published on the PCC's website, and regular private liaison meetings between the PCC and Chief Constable.

The Framework of Corporate Governance outlines decision-making parameters, including delegations, financial and contract regulations. The PCC's policy statement on decision-making and all significant decisions are published on his website.

The PCC proactively publishes information to maintain openness and transparency with the public on this same website; in doing so, he also meets his obligations under the Elected Local Policing Bodies



(Specified Information) Order 2011 (as amended) and, as a public authority, under the Freedom of Information Act 2000.

The PCC published his 2023/24 Annual Report last June (2024) which highlighted key achievements against his strategic Police and Criminal Justice Plan. The PCC's 2024/25 Annual Report is due to be published in June 2025.

The Chief Constable has prepared and published the TVP Strategic Plan. A performance update on the strategic plan is provided to the PCC's Performance and Accountability meetings, in respect of which the agenda and papers are published on the PCC's website.

Key information about the Force, including the Strategic Plan, is published on the TVP website. Information about neighbourhood policing, partnerships and sponsors, corporate events and public misconduct or special case hearings is also published, including details of upcoming hearings and how to attend. The site also allows for crimes and road traffic incidents to be reported, feedback to be given or complaints made.

The PCC and Chief Constable regularly attend local authority council meetings across the Thames Valley and provide formal briefings to constituency MPs on topical policing and crime issues at both a local and national level. In addition, the Police and Crime Panel acts as a two-way mechanism to enable local authority Panel representatives to inform the PCC of their local policing and crime matters of importance to their respective authorities and communities, and to brief their authorities on the activities and initiatives of the PCC (and the Panel).

The PCC works with and part-funds local authority Community Safety Partnerships across the Thames Valley to support crime reduction and community safety activities in their local areas. Such activities are aligned with the PCC's strategic priorities and key aims, as set out in the Police and Crime Plan and are funded by the PCC's Partnership Fund. Through working in partnership, these activities not only help the PCC to deliver their strategic objectives but also support partners in achieving their local priorities too.

The PCC chairs the Thames Valley Local Criminal Justice Board, which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually and collectively by the criminal justice agencies. The PCC has chaired this Board since January 2019, having a statutory responsibility to convene criminal justice partners. An Assistant Chief Constable (ACC) represents TVP on the Board.

The Force has appropriate mechanisms for engaging with a variety of external organisational stakeholders. The Chief Constable generally attends Local Authority Chief Executive's meetings annually.

The PCC and the Chief Constable have delivered presentations and answered questions in an open forum to each Council across the Thames Valley.

The South East Regional Integrated Policing (SERIP) Board considers regional change programmes and projects. All collaborative change programmes are supported by appropriate change frameworks to ensure appropriate governance processes are adopted and supported by standard products including risk and issue logs.

The OPCC and TVP communication and engagement strategies explain how local people can interact with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction. In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. Furthermore, the decisions and actions of the PCC are subject to regular review and scrutiny by the Police and Crime Panel.

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. "Have your say" is a consultation and priority-setting process which aims to increase public consultation and ensure that the Force tackles issues



which most concern communities. In addition, the Force has active social media outlets including Facebook and X. The Thames Valley Alert system also enables electronic public engagement en masse.

A public Trust and Confidence Survey is planned annually and will assist in developing both the PCC and CC's strategic delivery plans, through identifying areas of the community where Trust and Confidence is lower, and informing the work of scrutiny groups.

C. Defining outcomes in terms of sustainable service and economic benefits

The PCC's Police and Crime Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered over his tenure of office.

The Chief Constable has published the annual TVP Strategic Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Crime Plan and the Home Secretary's national Strategic Policing Requirement. Progress against the Force's strategic objectives (the four pillars of the Strategic Plan') is assessed through focussed Strategic Plan success measures and reviewed via the Service Improvement Reviews, Force Performance Group and Strategic Vulnerabilities framework.

The organisation is committed to the identification and consideration of collaboration opportunities regarding systems, processes and resources to sustain service delivery and increase the capacity and resilience of the organisation without diminishing capability and access to specialist services.

Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements established under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration, supported by appropriate advisors from the respective Force departments / SERIP.

There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including Multi-Agency Safeguarding Hubs (MASHs).

The Medium Term Financial Plan (MTFP) and Medium Term Capital Plan (MTCP) ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The long term financial implications of the MTCP are incorporated into the MTFP. The Productivity Strategy is an integral part of the MTFP and identifies where savings and efficiencies can be achieved, and hence more resources directed to priority areas. Service delivery is reviewed within the Force's Governance & Service Improvement (GSI) department, developing an understanding of present and future demand to inform organisational and operational strategies aimed at sustaining service delivery or improvement. The Force Review has been initiated to achieve effectiveness improvements and efficiencies, to improve service delivery with our finite resources, ensuring the financial sustainability of the force.

Risk and business continuity matters are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery. Strategic Risk and Business Continuity are managed within the Force's GSI department, bringing together horizon scanning, local risk registers and change-programme risk and business continuity issues.

The Force and PCC both have a duty to consider the impact on equality of proposed changes to policies, procedures and practices. Equality Impact Assessments are routinely undertaken by TVP for policies and change programmes to assess the impact internally and externally on staff, stakeholders and the public.

D. Determining the actions necessary to achieve the intended outcomes

The Force planning cycle incorporates the annual Force Management Statement, financial plans, workforce plans and the PCC's Police and Crime Plan to inform the Force's annual Strategic Plan. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (CCMT) and monitored through the service improvement framework and quarterly updates to inform the PCC's Performance and Accountability meetings.

Decision-making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. The National Decision Model was introduced to ensure

a greater focus on delivering the mission of policing, acting in accordance with values, enhancing the use of discretion, reducing risk aversion and supporting the appropriate allocation of limited policing resources as the demand for them increases. Both are now fully embedded in the Force, to ensure officers have the tools to act lawfully in their decision-making and to enable them to use their full powers for the benefit of citizens, communities and other stakeholders.

Collaborative projects and programmes, or those requiring the support of a collaborated unit to deliver, are co-ordinated and prioritised based on priorities, strategic objectives, capacity and financial capability and are governed through a Joint Change Governance board with representation from Thames Valley Police, Hampshire Constabulary and collaborated units.

In-flight programmes are managed by a Programme Board, chaired by a Senior Responsible Officer. Updates inform the Joint Portfolio Meeting, run collaboratively with Hampshire Constabulary, to enable coordination, planning and oversight of resources from enabling departments to achieve the desired outcomes. All programmes and projects have strategic oversight through the Force Transformation Board, DCCs' Collaboration Board, and respective Chief Officer Groups. Collaborated programmes consider and manage shared risks and issues.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a MTFP and a MTCP, which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective financial probity framework for decision making. The MTFP and MTCP are closely aligned with the PCC's Police and Crime Plan and the Force Strategic Plan. These are accompanied by ongoing workforce plans, managed by the People Directorate. The PCC approves the MTFP and the MTCP as well as the Force's annual budgets. The Police and Crime Panel must review the PCC's proposed council tax precept increase and make recommendations to the PCC before he formally sets the annual budget in February each year. Formal budget monitoring is undertaken on a regular basis throughout the year and reviewed at the regular liaison meetings between the PCC and Chief Constable.

The Productivity Strategy forms an integral part of the MTFP and incorporates the outcomes of initiatives such as the Force Review, Zero Based Budget reviews, Effectiveness & Efficiency or the Estates Asset Management Plan.

Force and Local Police Area Tasking and Co-ordination Group processes enable the regular review of operations, performance and resource deployment in an operational setting. CCMT provides strategic oversight for performance against Strategic Plan measures and priorities, as well as financial plans and asset management plans.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The PCC and Chief Constable ensure their statutory officers have the necessary skills, resources, and support. Specialist advice in areas like taxation, legal matters, and treasury management is sourced externally for practicality and cost-effectiveness.

Chief Officers have defined leadership roles, implementing strategy and managing service delivery within their portfolios.

Performance and development are managed through the Performance Development Review framework, with annual competency assessments, interim reviews, and Continuous Professional Development. The Force has People Strategy which focusses on recruitment, retention, wellbeing, inclusion, flexible and capable workforce aiming to be an employer of choice.

Chief Officers promote continuous service improvement, using independent and peer reviews, lessons learned, and recommendations from various reviews and inspections.

The OPCC receive induction training and ongoing development through national conferences and seminars. The OPCC has a new structure to support statutory functions, including services for victims

and witnesses under 'Victims First.' The objective of the new structure is to ensure that any new PCC could assume office and the OPCC provide an effective and efficient service.

The Chief Executive monitors the OPCC's workload and performance via the Strategic Delivery Plan, presented at the Performance and Accountability Meeting. The Strategic Delivery Plan has been completely renewed based on the PCC's new Police and Crime Plan 2024-2029.

The PCC is a member of the APCC (Association of Police & Crime Commissioners), and the Chief Constable and other chief officers are members of the NPCC (National Police Chief's Council). The Chief Executive and Chief Finance Officer benefit from membership of APACCE (Association of Police & Crime Commissioners Chief Executives) and PACCTS (Police & Crime Commissioners Treasurers' Society) respectively.

F. Managing risks and performance through robust internal control and strong public financial management

The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The Risk Management Policy is supported by the Risk and Business Continuity Communications Strategy. The management of risk is governed through the Force Risk, Improvement and Learning Meeting and Chief Constables Management Team meeting, which exists to oversee strategic risk management and business continuity processes; take ownership of strategic risk issues; delegate actions to appropriate risk managers; accept strategic risk reports and recommendations through the Governance and Service Improvement department, authorise actions and allocate resources where necessary. Governance and Service Improvement manage the HMICFRS and recommendations tracker to monitor progress and identify risks to performance. Governance and oversight of these sits at the Force Risk, Improvement and Learning meeting.

Due to likely impact of cyber-attacks on front line policing, all police forces are monitored by the National Monitoring Centre (NMC) operated by Police Digital Services. In addition, both TVP and HIOWC have interfaces into the cyber response planning. Both forces approach risk management, strategic governance, and Business Continuity separately and the Joint units (JOUs) work closely with each of these teams to ensure a holistic approach and response. The teams lead on testing business units through desk-top scenarios, which are supported by JICT to assess the readiness of individual team's response during a cyber-event. Lessons learned are captured and actions set where required to close any gaps identified during these exercises. Cyber business Continuity resilience is tested both technically in ICT and also organisationally. Cyber Business Continuity exercises have been taking place across the whole force.

The PCC and Chief Constable monitor service delivery effectively via their respective performance regimes.

The PCC has a duty to hold the Chief Constable to account for the performance of TVP generally. The PCC has therefore implemented an effective scrutiny and oversight function. The PCC holds quarterly public 'Performance and Accountability' meetings at which the Chief Constable is required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Crime Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Strategic Plan. Similarly, the PCC meets fortnightly with the Chief Constable on a private, informal, basis to review and discuss more regularly the general performance of the Force against topical national, regional and local issues. The PCC maintains an HMICFRS tracker to follow up on any risks to the performance of the Force that have been highlighted by HMICFRS inspections.

The OPCC provides an update against its internal Strategic Delivery Plan to the PCC via the OPCC Chief Officer Group which hold weekly meetings to ensure the efficient and effective delivery of services. Formal Senior Leadership Team meetings take place monthly with weekly informal catch-up meetings taking place to deal with any urgent or emerging issues. The PCC holds quarterly Performance and Accountability meetings, where the OPCC presents progress updated against the SDP. The PCC, therefore, receives regular reports on both strategic and operational delivery plans with progress updates provided regarding achievement of the priorities and aims set out in the Police and Crime Plan 2024-2029.



The Chief Constable holds monthly Performance Group meetings together with his management team, regularly attended by the PCC as an observer, in which the Chief Constable reviews performance of the Force against the annual Strategic Plan. The Service Improvement Review framework is a comprehensive schedule of LCU (Local Command Unit) or Departmental review meetings, starting with a period of fieldwork, and culminating with a meeting, chaired by the DCC with attendance from the local command team, to review findings and set actions. A performance update against the Force Strategic Plan is considered quarterly at CCMT meetings. This same meeting determines and monitors Force strategy, policies and performance. Gold Groups are set up and managed in response to particular areas of vulnerability or to manage particular areas of performance as necessary, for example in response to a critical incident or in response to an emerging organisational risk area. The Improvement and Innovation meeting has been set up, chaired by the DCC, in which constructive challenge and debate on recommendations, thematic operational policies and procedures is encouraged. The findings of these meetings are fed into the Chief Constable's Performance Group or CCMT.

The Risk, Improvement and Learning meeting oversees risk management within the Force and is chaired by the Deputy Chief Constable. The Group focuses on strategic risks but also monitors risk management processes across the Force, including within change programmes as well as a risk radar that considers potential future risks for the force. There are regular quarterly reviews to ensure risk management and robust oversight. The OPCC maintains its own strategic risk register.

A Joint Independent Audit Committee (JIAC) operates in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Home Office Financial Management Code of Practice. The JIAC's main role is to provide assurance to the PCC and Chief Constable that the corporate internal control and governance framework, including risk management, is operating adequately and effectively. It does this by providing an annual assurance report to the PCC and Chief Constable. The JIAC meets in public, and reports and minutes are placed on the PCC's website. Effective counter-fraud and anti-corruption arrangements are in place and are monitored, in the main, by the Force's Professional Standards Department. The Anti-Fraud, Bribery and Corruption Policy is updated every two years.

The Internal Audit Team provides assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control.

The Force manages its information in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation (UK GDPR), the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information. This is overseen by the Information Governance Board chaired by the Chief Information Officer (who also holds the position of Senior Information Risk Owner). The Joint Information Management Unit leads on information compliance for both TVP and Hampshire Constabulary (HC) and ensures that appropriate policies and procedures are in place. The Joint Information Management Unit is also responsible for providing guidance on the lawful sharing of information with partners, completion of Data Protection Impact Assessments and maintaining a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. National Centre for Applied Learning Technologies (NCALT) training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Financial management arrangements

The annual financial strategy and the capital strategy for the forthcoming financial year are approved as part of the annual financial planning in January each year. The PCC and Chief Constable have an agreed Value for Money Strategy and this approach is reflected in the financial arrangements and continuous improvement activities



The Chief Constable produces a MTFP and a MTCP which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision-making. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is regularly reviewed by the CCMT as well as being presented to the PCC's regular liaison meetings between the PCC and Chief Constable.

The Productivity Strategy is an integral part of the MTFP, challenging the effectiveness of the force and identifying savings and efficiencies to help balance the budget whilst achieving the PCC's and Chief Constable's objectives. The delivery savings within the Productivity Strategy are monitored as part of the regular financial monitoring, and by the Force Transformation Board.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Director of Finance. The Chief Internal Auditor provides a regular update to the JIAC and provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.

The financial management arrangements conform with the governance requirements of the CIPFA Financial Management Code.

Implementing good practices in transparency, reporting and audit to deliver effective accountability

The PCC and Chief Constable balance providing sufficient information for transparency and public scrutiny without being overly burdensome. The Police and Crime Panel scrutinizes the PCC's decisions and actions, reviewing significant documentation for public benefit.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011, (as amended) publishing required information on his website. Significant public interest decisions are published in an accessible format, both published and confidential reports are scrutinized by the JIAC. The OPCC and TVP endeavour to ensure online services are accessible to all users.

The Chief Constable's Corporate Communications department manages public communications, adhering to a corporate style guide. The PCC has a separate communications team.

The PCC and Chief Constable report annually on performance. Value for money arrangements and resource stewardship are reported in the Financial Statements. They assess the application of governance principles and publish results in the Annual Governance Statement, including improvement plans.

Performance information accompanying financial statements is prepared consistently for comparison with similar entities. Accepted external audit recommendations are acted upon.

The Joint Internal Audit team, with direct access to the PCC, Chief Constable, and JIAC, provides governance assurance and monitors the implementation of audit actions.

Both the PCC and Force undergo external scrutiny through financial audits and HMICFRS inspections, with reports published on their websites. HMICFRS assesses police and fire services' effectiveness, efficiency, and legitimacy. The PCC publishes responses to HMICFRS reports, and the Force engages in various inspections.

The PCC and Chief Constable utilize peer reviews and inspections from regulatory bodies and implement recommendations. They ensure third-party service delivery risks are managed and reviewed regularly.

In partnerships, the PCC and Chief Constable ensure clear accountability and recognize the need for public accountability.

ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the adequacy and effectiveness of the governance framework on at least an annual basis. This includes:

a) The Police and Crime Commissioner

The PCC has the following key statutory duties and powers to:



- produce and publish a five-year Police and Crime Plan that sets out the PCC's policing and crime prevention objectives;
- set the annual policing budget and council tax precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control;
- undertake reviews (formerly known as appeals), where requested by a complainant, of the handling and outcome of their complaints made against the Force;
- handle complaints made against the Chief Constable;
- have regard to the relevant priorities of, and act in co-operation with responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the Force area;
- commission victims' support services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and
- produce and publish an annual report.

The following key governance activities took place during 2024/25 and demonstrate how the PCC has discharged these powers and duties during that year:

- The PCC published his 2023/24 Annual Report in June 2024 to highlight major achievements during that financial year and to report on operational and financial performance.
- The OPCC published its new Strategic Delivery Plan in 2024/25. This is an internal OPCC management action plan that supports the PCC in monitoring the delivery of both policing and non-policing activities, aligned with his new Police and Crime Plan. Progress reports are presented to the PCC in public meetings, and the Plan will be reviewed and updated annually.
- During the autumn of 2024, the PCC worked closely with the Chief Constable to update the MTFP (2024/25 to 2027/28). He submitted his budget and council tax proposals for 2025/26 to the Police and Crime Panel in January. The Panel endorsed his £14 increase in Band D council tax.
- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. South East region; bilateral with Hampshire; Chiltern Transport Consortium and the National Police Air Service).
- Implantation of the Scrutiny Review of the governance structures which underpin the entire external scrutiny both of joint panels and panels owned solely by TVP is ongoing with members of the Complaints and Standards Panel and Ethics Think Tank being recruited. Recommendations from this review were published in March 2024.
- The PCC has been actively engaged in the scrutiny of major Force business change programmes.
- Four PCC public Performance and Accountability meetings were held in 2024/25, supplemented by fortnightly private and informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable and his OPCC Chief Executive to account for progress towards achieving his key priorities.

b. **The Force**

The CCMT met monthly during the year, and there were also finance and strategic planning sessions. The Joint Chief Officers Group (TVP and HC) met formally to determine and monitor collaborated strategy, policies and performance. Governance structures incorporated internal arrangements for the safety and wellbeing of officers and staff, as well as external arrangements for the enactment of new legislation and the continuity of policing services to the public.

The Strategic Risk Register and Business Continuity incidents are reviewed quarterly at CCMT and emerging risks were discussed at a monthly Risk, Improvement and Learning meeting. Existing business continuity plans were reviewed and revised to reflect evolving challenges.

Key discussions during the year included the review of the MTFP, MTCP, the PCC reserves and the Asset Management Plan, as part of the annual budget cycle. The financial plans were considered

several times and the associated decisions facilitated the formal approval of the MTFP and MTCP by the PCC at the PAM meeting in January. As part of the annual budget process, the Productivity Strategy was reviewed and continues to play an important role in identifying options to address the budget shortfall and ensure the use of resources is focused on priority areas. Delivery of the outcomes from the Effectiveness & Efficiency Programme remains a central aspect of productivity.

CCMT reviews finance and workforce planning, performance and HMICFRS activity regularly. Strategic Risks and Business Continuity are included quarterly.

The Force Transformation Board met every other month to review all in-flight change programmes in the Thames Valley only portfolio alongside the delivery of the savings plan (Productivity Strategy). The Joint DCC Collaboration Board met every other month as part of the governance for all bi-lateral programmes. These governance boards are in addition to the regular programme boards chaired by each programmes' Senior Responsible Owner.

Both CCMT and Force Transformation Board are aligned to bilateral forums including the Joint Chief Officer Group and DCCs' Collaboration Board, and regional forums such as SERIP.

The Governance & Service Improvement department continues to draw together corporate and strategic elements of the organisation. The over-arching function is to provide a central point of coordination, governance, strategy, policy and guidance development, change delivery, and the provision of internal evaluation of delivery including the identification of opportunities for continuous improvement.

The PEEL inspection report 2023-2025 was published on 6th December 2023 and looks at police effectiveness, efficiency and legitimacy. The findings show the force has improved in some areas, and good progress has been made to address the areas found. TVP has been actively working on improvements in key areas identified in the inspection and providing monthly assurance updates to the Deputy Chief Constable and HMICFRS with evidence of progress. Work is ongoing to improve the forces' preparedness for future inspections to ensure that we are working in the most efficient way.

All recommendations and areas for improvement from inspection activity are being actioned and are tracked, updated and signed off via the DCC Risk, Improvement and Learning meeting before uploading onto the HMICFRS monitoring portal. The Risk, Improvement and Learning meeting, chaired by the DCC, has been established to provide governance, leadership and drive to continuously improve and innovate in support of the Force's strategic aims; central to this is the timely delivery of improvement activity and the identification, sharing and adoption of organisational learning from all areas, reviews and inspections. This forum will ensure accountability, coordination, and timeliness of action and meets monthly.

c. **The Joint Independent Audit Committee**

During 2024/25 the JIAC met quarterly to consider the external audit and internal audit plans, as well as receive timely updates in terms of risk management and business continuity. The JIAC also received regular briefings, including appropriate written reports, during the year from the PCC, Chief Constable and relevant senior officers; supplemented by individual JIAC members observing key elements of TVP's governance bodies. JIAC members have also been invited to visit TVP operational centres or observe parts of TVP's work; and received a range of reports, including from HMICFRS.

The JIAC's Annual Assurance Report for 2024 was presented to the PCC and Chief Constable at their JIAC meeting in December 2024. At that time the JIAC was able, based on the information that they had considered collectively or knew about individually, to give assurance to the PCC and Chief Constable that the risk management and internal control environment in Thames Valley was operating efficiently and effectively.

d. **The Governance Advisory Group**

A joint OPCC/TVP officer governance group (the 'Governance Advisory Group') operates with the following terms of reference:

- To provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance;



- To review and provide feedback on the effectiveness of the corporate governance systems determined by the PCC and Chief Constable.

The Governance Advisory Group also developed this joint Annual Governance Statement.

e. **Internal Audit**

In March 2024, the 2024/25 Joint Internal Audit Plan was collated and endorsed by the JIAC. The plan has been completed and on the basis of this work, the conclusion of both organisations' governance risk and control frameworks is **reasonable assurance**. A combined conclusion is provided due to both organisations sharing a number of business systems and processes. Areas were identified through our work where the design or effectiveness of arrangements in place required enhancing or strengthening. Where these areas were reported, management responded positively, identifying appropriate actions to address the risks raised.

The conclusion demonstrates a generally good awareness and application of effective risk management, control and governance to facilitate the achievement of both organisations' objectives, outcomes and delivery of services. At a statistical level and compared to the previous year, the overall conclusion represents a reduction in the application of the control frameworks. However, as the Joint Internal Audit Plan does not include the same audits year on year this cannot be taken as a direct comparison and the vast majority of audits are in new areas where there is often a change in demand, process or risk.

In terms of the implementation of audit actions and mitigation of risk, the number of actions completed, (between 2021 and 2025) is 75% with 8% being overdue. General progress during the year in implementing actions has been declining and the number of overdue actions has more than doubled during the year from 30 in June 2024 to 64 in March 2025. However, the level of activity from both organisations shows continued engagement and priority given to addressing internal control improvements and the monitoring of progress in implementing audit report actions will continue to be a specific focus for 2025/26 for both organisations and the JIAC.

As in previous years and to support the conclusion, additional sources of assurance were utilised where they provided commentary on the effectiveness of the organisations' governance framework or general management of risk. The assurances obtained provided a generally positive view of the organisation's arrangements and supported the overall conclusion of reasonable assurance.

In providing our service and completing the Joint Internal Audit Plan, the team have not been made aware of any significant control weaknesses not addressed by management and no limitations have been placed on the scope of the team's work or impairments to its independence.

f. **External audit**

In recent years, audit opinions have been delayed across the sector. EY provided unqualified audit opinions relating to the 2022/23 accounts in May 2024, and the 2023/24 accounts in February 2025. The audit certificate for 2022/23 was provided in December 2024. The audit certificate for 2023/24 is outstanding, awaiting the NAO's position on the Whole of Government Accounts.

g. **His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)**

During the year HMICFRS published a number of reports regarding inspection activity, research or super-complaints. These are considered by the Force via the DCC's Risk Improvement and Learning meeting. All reports are publicly available on the HMICFRS website.

Below are the inspection reports that contain recommendations or areas for improvement for policing (specific to TVP or nationally). All inspection reports that contain recommendations for the Force require the PCC to publish a formal response within 56 days of the publication, except for reports resulting from super-complaints, unless otherwise specified:

Date published	Type	Report Title	Date CC reported to PCC	PCC Response to HMICFRS
19/07/2024	Annual Assessment report	State of Policing: The Annual Assessment of Policing in England and Wales 2023	N/A	N/A
22/08/2024	National Thematic	Progress to introduce a national operating model for rape and other serious sexual offences investigations (Op Soteria)	14/10/24	Y
30/08/2024	TVP/ Regional	An inspection of the south-east regional response to serious and organised crime	14/10/25	Y
10/09/2024	National Thematic	An inspection into activism and impartiality in policing	30/01/25	Y
27/09/24	(Super Complaint)	Police Response to Stalking (Suzy Lamplugh Trust super-complaint) – <i>PCC response</i>	30/10/24	N/A - a response is published on the PCC's website
10/10/2024	Annual Assessment report	The policing response to antisocial behaviour: PEEL spotlight report	30/10/24	Y
15/11/2024	Custody	Report on an inspection visit to police custody suites in Thames Valley Police	16/11/24	Y
20/11/2024	Joint Inspection	Multi-agency responses to serious youth violence: working together to support and protect children	30/01/25	Y
18/12/2024	National Thematic	An inspection of the police response to the public disorder in July and August 2024: Tranche 1	30/01/25	Y

The PCC (or OPCC) is invited to attend the Strategic Brief at the start of inspection activity and the debrief provided by HMICFRS following each inspection. Alternatively, the Chief Constable may provide the PCC with a briefing following an HMICFRS inspection.

h. Risk management and business continuity

The Force Risk Management Group (now the Risk, Improvement and Learning meeting) met twelve times during 2024/25 and which then has force wide oversight and sign off on a quarterly basis as part of the CCMT meetings. High-level strategic risk management and business continuity issues were reported to the JIAC on a timely basis in separate Force and OPCC Strategic Risk Registers.

Business continuity incidents, categorised by impact, were detailed in quarterly reports to CCMT and then the JIAC, including measures taken to minimise their impact. Issues reported primarily related to ICT loss of service and estates issues. The JIAC also received information on exercises to test business continuity plans, which now include key learning points.

All risks at a local and strategic level have clear ownership, are regularly reviewed and rescored according to the risk matrix, and are allocated the appropriate risk action – tolerate, treat, transfer,

terminate. Risks to collaborated programmes or areas under bi-lateral governance feature on both Forces' registers.

i. **Health and Safety and Environmental Management**

The Health, Safety and Wellbeing and Environmental Protection Policy Statements are accessible to all staff via the Intranet and displayed on the health and safety notice boards in all TVP premises.

The Health & Safety Annual Report and the Wellbeing report were taken back to JIAC in 2024 for scrutiny and sign off. The report covered the key management areas specified within 'Managing for Health & Safety HSG65 2013 and documented the continuous improvement of Thames Valley Police policies and procedures for the effective management of health and safety.

The Head of the Governance & Service Improvement (G S & I) Department has overall management responsibility for the governance and implementation of Health and Safety at the operational policing, strategic and tactical levels and in respect of policing infrastructure including buildings. There is a quarterly governance board chaired by the Head of Governance and Service Improvement where Health and Safety data, new and emerging risks and mitigation are discussed. New risks are then escalated to the Risk, Improvement and Learning meeting.

j. **Ethics and Integrity**

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handled by the Force. Following a recent scrutiny review a new governance and scrutiny structure has been put into place during FY 2024-2025. This includes a new Complaints and Standards Committee and Ethics Think Tank, which replace the previous The Professional and Ethical Standards Panel (PESP) (previously called Complaints, Integrity and Ethics Panel).

PESP produced its final report in July 2024, which highlighted that the Panel had scrutinised matters including the following themes:

- BWV policy
- Police Perpetrated Domestic Abuse (PPDA)
- Sexual Misconduct
- Violence Against Women and Girls (VAWG)
- Mental Health
- Victim Satisfaction
- Responsible use of AI technologies by Police (including facial recognition)
- PSD resourcing
- LPA timeliness and standards of investigation to matters pertaining to compliant file

Within their final report PESP members highlighted areas for continued scrutiny by the new C&SC and Ethics Think Tank.

During 2024-2025 recruitment for new members of the Complaints and Standards Committee (CS&C) and Ethics Tank has been progressing well. The CS&C have been undertaking training for their role via the OPCC Trust and Confidence Support Officer. They have been reviewing complaints during their period of training and will be meeting regularly during FY 2025-2026 to further scrutinise complaints and standards.

The Chief Constable continues to promote the fundamental importance of TVP officers and staff employing the highest professional standards and principles that are embodied and enforced through the Code of Ethics. All police officers and staff have been required to complete an online training package and attend a dedicated Code of Ethics training session. All new Officers and staff receive training on the Code of Ethics as part of their induction.

During 2023/24 the PSD received and processed 3660 complaints and 169 conduct matters and held 32 misconduct meetings and 26 misconduct hearings (including accelerated hearings) under the statutory scheme. In addition, the OPCC itself handled 4 complaints made against the Chief Constable and received 254 requests for complaint reviews as per the statutory police complaints scheme.

k. **Thames Valley Police and Crime Panel**



During 2024/25, the Police and Crime Panel (PCP), an external independent oversight body that holds the PCC to account, met on five occasions. Key activities undertaken by the Panel during the year included endorsing the PCC's new Strategic Plan for 2024-29, reviewing the PCC's Annual Report for 2023/2024, and scrutinising and considering the PCC's 2025/26 budget and council tax precept proposals. The Panel received and considered regular reports on the delivery of the PCC's Police and Crime Plan priorities for 2024-25. Additionally, the PCP received contributions from the OPCC and the force, alongside other external partners, on matters of topical interest that informed a range of Task & Finish Groups. These included Violence Against Women and Girls, Road Safety, PCC Budget, and Anti-Social Behaviour.

In addition, the Panel operates a permanent Complaints Sub-Committee as well as ad-hoc task and finish working groups. During 2024-2025 the Chief of Staff of the OPCC, acting under delegated authority on behalf of the PCP, referred complaints against the PCC/Deputy PCC to the PCP for consideration by them under the statutory scheme. None of these complaints were upheld, save for one whereby the Panel made a recommendation for an apology by the PCC and requested an update on the new Caseworker system.

The Panel itself published its own 2023/24 Annual Report in July 2024.

I. Collaboration and partnership working

The joint TVP and HC Joint Collaboration Governance Board formally met six times during 2024-2025. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Contact Management, Joint Operations Unit, Joint ICT and Joint Information Management) as well as the development of collaborated change programmes. Updates are provided on new collaborative opportunities being explored. These formal meetings were supplemented by specific briefings for the PCCs and senior officers as appropriate. In addition to the Governance Board, the Joint Chief Officer Group met 3 times during 2024/25.

Governance of collaboration between Forces across the South East region is undertaken at the SE Regional Integrated Policing (SERIP) Board (chaired and attended by Deputy Chief Constables), and by PCCs and Chief Constables at the Regional Governance Board, 2 meetings of the regional governance board were held during 2024-2025. The South East Regional Organised Crime Unit, hosted by TVP, brings together the regional organised crime units under one structure. It is operationally aligned with the Counter Terrorism Policing South East unit. A regional Assistant Chief Constable (ACC), who reports directly to the Chief Constable of TVP, exercises overall command of the regional crime and counter-terrorism functions. This ACC also represents serious organised crime at the South East Regional Governance Board and nationally with the National Crime Agency and other key stakeholders.

The PCC and Chief Constable meet with colleagues from the South East Region through the SE Region PCC and Chief Board to discuss performance relating to regionally collaborated activity, such as SEROCU

m. Conclusion

The work carried out by the Governance Advisory Group to review the Joint Corporate Governance Framework itself, and how it has been applied in practice over the financial year 2024/25, has informed the latest review of the Framework. Consequently, the PCC and Chief Constable will be able to satisfy themselves that key governance structures supporting the discharge of their responsibilities have and continue to receive effective scrutiny.

SIGNIFICANT GOVERNANCE ISSUES

It should be noted that significant operational issues facing the organisation are not necessarily a result of weaknesses within the internal control and governance framework.

There were no significant actual or potential governance issues identified in respect of the 2023/2024 AGS which were due to be monitored during 2024/25

There are currently no significant actual or potential governance issues identified in respect of 2024/2025 activities. Accordingly, the Governance Advisory Group is satisfied to the best of its knowledge that no material breaches of the governance arrangements occurred in 2024/25 and there are no significant weaknesses in the internal control and governance environment.

The governance arrangements of the PCC and the Chief Constable will remain under regular review over the forthcoming financial years.



Matthew Barber
Police and Crime Commissioner



Jason Hogg
Chief Constable

Glossary

Absolute return portfolio

This refers to investment strategies which target a return that is above zero, and are often linked to other financial benchmarks such as LIBOR (London Inter Bank Offered Rate)

ACC

Assistant Chief Constable

Accruals

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

Actuarial gains and losses

Actuarial gains and losses arise where actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses) or the actuarial assumptions have been changed.

AGS

Annual governance statement

Alternative assets

These are less traditional investments where risks can be greater but potential returns higher over the long term, e.g. investments in private equity partnerships, hedge funds, commodities, foreign currency and futures.

APCC

Association of police & Crime Commissioners

Amortisation

The gradual elimination of a liability, such as a loan, in regular payments over a specified period of time

Appropriations

Transfer of monies between the revenue account and the balance sheet.

Assets

An asset is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit

Bonds

Bonds are debt obligations issued by private corporations to finance a variety of purposes, e.g. business expansion. When a bond is issued, the corporation promises to return the money on a specified date, paying a stated rate of interest. Bonds do not provide ownership interest in the corporation

Budget

A statement of the PCC's plans in financial terms. A budget is prepared and approved by the PCC before the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Charge

A charge to the revenue account to reflect the cost of using fixed assets.

Capital Expenditure

As defined in the Local Government and Housing Act 1989, but broadly expenditure on the acquisition of a fixed asset or expenditure which extends the life or value of an existing fixed asset.

Capital Financing Requirement

The capital financing requirement (CFR) measures the Group's underlying need to borrow or finance by other long-term liabilities for a capital purpose.

Capital Receipts

Proceeds from the sale of capital assets. They may be used to finance new capital expenditure or repay existing loan debt. Receipts available to finance capital expenditure in future years are held in the usable capital receipts reserve.

Carrying value

An accounting measure of value, where the value of an asset or a company is based on the figures in the company's balance sheet. For assets, the value is based on the original cost of the asset less any depreciation, amortization or impairment costs made against the asset. For a company, carrying value is a company's total assets minus intangible assets and liabilities such as debt. Also known as "book value".

CCMT

Chief Constable's Management Team

Chief Constable

The most senior police officer in charge of a police force

CIES

Comprehensive Income and Expenditure Statement

CIPFA

Chartered Institute of Public Finance and Accountancy, a professional accountancy membership body, and a standard-setting body for UK public sector accountancy.

CMP

Contact Management Platform

Collaboration

Where two or more police forces work jointly, governed by a legal agreement, in order to realise operational efficiency, resilience and cost effectiveness.

Contingency

An event that may occur but that is not likely or intended

CPIH

Consumer Prices Index including owner occupiers' housing costs. This is the most comprehensive measure of inflation, and is produced by the Office for National Statistics

CPS



Crown Prosecution Service

Creditors

Amounts owed by the group at the Balance Sheet date for goods received or work done.

CTC

Chiltern Transport Consortium

CTPSE

Counter Terrorism Police South Easy (formally known as South East Counter Terrorism Unit)

Current service (pensions) cost

An estimate of the true economic cost of employing people in a financial year, earning years of service that will eventually entitle them to the receipt of a lump sum and pension when they retire. It measures the full liability estimated to have been generated in the year and is thus unaffected by whether any fund established to meet liabilities is in surplus or deficit.

Curtailment & settlements

Curtailment arises as a result of the early payment of accrued pensions on retirement on the grounds of efficiency, redundancy or where the employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.

DCC

Deputy Chief Constable

Debtors

Amounts due to the Group but unpaid at the Balance Sheet date.

De minimus

An amount so small that it will not have a significant impact on the accounts

Depreciation

A charge calculated either on a straight line or reducing balance basis, to reflect the diminishing value of an asset over its useful economic life.

DHEP

Degree Holder Entry Programme

Direct Revenue Financing

The amount of capital expenditure to be financed by a contribution from the revenue account in a single year.

Earmarked

Monies set aside for a specific purpose

Equities

Shares in UK and overseas companies.

ESMCP

Emergency Services Mobile Communications project

Expected return on assets



The expected return on assets is a measure of the return (income from dividends, interest etc, and gains on invested sums) on the investment assets held by the pension scheme for the year. It is not intended to reflect the actual realised rate by the scheme, but a longer-term measure, based on the value of assets at the start of the year (taking into account movements in assets during the year) and an expected return factor.

Fair Value

Fair value is the value of an asset or liability in an arm's length transaction between unrelated willing and knowledgeable parties.

Fixed Assets

Tangible assets which yield benefits to the Group for periods of more than one year

Gilts

The familiar name given to sterling, marketable, fixed interest securities (or bonds) issued by the British Government.

Gold, Silver Bronze groups

A gold–silver–bronze command structure is a command hierarchy used for major operations by the emergency services of the United Kingdom.

Grant

A sum of money given by a government or other organisation for a particular purpose.

Hedge Funds

A specialist fund that seeks to generate consistent returns in all market conditions by exploiting opportunities resulting from inefficient markets.

HC

Hampshire Constabulary

HMICFRS

Her Majesty's Inspectorate of Constabulary, Fire and rescue services

HS&E

Health Safety and Environment

IAS

International Accounting Standard

ICT

Information, Communications & Technology

IFRS

International Financial Reporting Standards

Impairment

This only relates to fixed assets, including cash investments. Impairment is caused either by a consumption of economic benefits or by a general fall in prices.

Intangible Fixed Assets

Assets that do not have a physical substance, but provide a benefit over a period of time, e.g. computer software.



JIAC

Joint Independent Audit Committee

JOU

Joint Operations Unit (with Hampshire Constabulary)

Leasing

A method of financing expenditure over a period of time. There are two main types of lease:

- a) Finance lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Group's balance sheet at a current valuation.
- b) Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

LGPS

Local Government Pension Scheme

Liability

An obligation that legally binds an individual or company to settle a debt

Loans Outstanding

Loans raised to finance capital spending which have still to be paid.

LPA

Local Policing Area

MASH

Multi Agency Safeguarding Hub

MOJ

Ministry of Justice

MPs

Members of Parliament

MTCP

Medium Term Capital Plan

MTFP

Medium Term Financial Plan

Minimum Revenue Provision (MRP)

The minimum amount of the Group's outstanding debt which must be repaid by the revenue account in the year

MiRS

Movement in reserves statement

NCALT

National Centre for Applied Learning Technologies



Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net Revenue Expenditure

Expenditure funded by core government grants (police grant, formula grant and legacy council tax grants) and council tax income

Net Present Value (NPV)

The difference between the present value of cash inflows and the present value of cash outflows.

Nolan Principles

The 7 principles of public conduct are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership

NPAS

National Police Air Service

NPCC

National Police Chiefs Council (the representative body for Chief Constables)

OPCC

Office of the Police and Crime Commissioner

Outturn

The actual level of spending and income in a particular year

Past service (pension) costs

These are non-periodic costs – they arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years.

PCC

Police and Crime Commissioner

PCDA

Police Constable Degree Apprenticeship

PCP

Police and Crime Panel

PCSO

Police Community Support Officer

PEEL

Police Effectiveness, Efficiency and Legitimacy programme

PESP

Professional and Ethical Standards Panel

PESTELO

Political, Economic, Social, Technological, Environmental, Legal, Organisational (police analysis)



PFI

Private Finance Initiative

Police Funding Formula

A needs based funding formula used by the Home Office to allocate police grant to the 43 police forces in England and Wales

Police Grant

Police grant is allocated by the Home Office using a highly complex needs based formula. This grant finances around 40% of police revenue expenditure.

PPE

Depending on context:

Property, Plant and Equipment; or
Personal Protective Equipment

Precept

Council Tax rate set by the PCC

Provision

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

PSD

Professional Standards Department

Public Works Loans Board (PWLB)

A Government body from which local authorities may raise long term loans

PUP

Police Uplift Programme - Home Office plan to fund 20,000 extra police officers before 31st March 2023

Remuneration

All amounts paid to or receivable by a person. It includes taxable expenses and the estimated money value of any other benefits received by an employee other than in cash (e.g. benefits in kind).

Reserves

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. General reserves represent accumulated balances which may be used to support future spending.

Revenue Expenditure

Spending on day to day running expenses of the PCC and Force.

RMS

Resource Management System

RPI

Retail Price Index, a measure of inflation which includes housing costs.

SEERPIC

South East and Eastern Police Insurance Consortium



SeRCOP

Service Reporting Code of Practice

SERIP

South East Regional Integrated Policing

SEROCU

South East Regional Organised Crime Unit

SOLACE

Society of Local Authority Chief Executives

Specific Grants

Government grants to aid certain services, usually paid at a fixed proportion of spending actually incurred.

TVP

Thames Valley Police

Uplift Programme

The Home Office has promised to fund 20,000 extra police officers before 31st March 2023; also known as Police Uplift Programme (PUP)

Usable Capital Receipts

Capital receipts available to finance capital expenditure in future years.

VFM

Value for Money