

**The Office of the
Police & Crime Commissioner
for Leicestershire (OPCC)**

**DRAFT
Annual Financial Report
(Group & Single Entity)**

2024/25

	Page
Statement of Accounts	
<i>Core financial statements</i>	
• Comprehensive Income & Expenditure Statement (Group)	12
• Comprehensive Income & Expenditure Statement (OPCC)	13
• Balance Sheet (Group)	14
• Balance Sheet (OPCC)	15
• Statement of Movement in Reserves (Group)	16
• Statement of Movement in Reserves (OPCC)	18
• Cash flow Statement (Group)	20
• Cash flow Statement (OPCC)	21
Notes to the core financial statements	22
<i>Supplementary financial statements</i>	
• Pension fund account	77
Non audited information documents	
Narrative Report by the Chief Finance Officer	1
Statement of responsibilities	11
Annual governance statement	79
Audit opinion	91
Glossary of terms	95

Narrative Report by the Chief Finance Officer

These accounts set out the overall financial position of Leicestershire Police for the year ended 31 March 2025.

The Police Reform and Social Responsibility Act 2011 introduced Police and Crime Commissioners and created two corporation soles, the Police and Crime Commissioner (PCC) for Leicestershire and the Chief Constable (CC).

The PCC is responsible for securing an efficient and effective police force whilst the Chief Constable is responsible for delivering operational policing under the Police Act 1996 and has operational direction and control over the force's officers and staff.

This structural change created a 'Group' in accounting terms, referred to as the "Office of the Police and Crime Commissioner for Leicestershire Group" (OPCC Group or simply, 'the Group') and the two bodies within that group as "Office of the Police and Crime Commissioner for Leicestershire" (OPCC) and "Office of the Chief Constable for Leicestershire" (OCC) respectively.

The accounts for 2024/25 are presented in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of a local authority. This Code of Practice has been developed by the CIPFA/LASAAC Code Board under the oversight of the Financial Reporting Advisory Board.

Budget 2024/25

The financial year 2024/25 was the third budget set by the Police and Crime Commissioner for Leicestershire, Mr Rupert Matthews, who was elected in May 2021. The PCC developed his Police and Crime Plan, of which 2024/25 was the final year of delivery, and set his budget and precept for 2024/25 in February 2024 to support this.

The Police and Crime Plan includes the following short-term and medium-term priorities:

Short-term priorities are as follows:

- I will ask the Chief Constable to create a larger force of Special Constables recruited from our local communities, dedicated to local communities, working within local communities and seen as being part of communities
- I will work with the Chief Constable to ensure that we place no barriers in the way of ensuring that our recruits are the very best of our diverse population and representative of the varied communities of Leicester, Leicestershire and Rutland
- I will ask the Chief Constable to ensure the Force is structured to provide an outstanding response in Leicestershire and Rutland to rural criminality, wildlife crime and heritage crime
- I will ask the Chief Constable to dedicate rural crime teams in each of the Neighbourhood Policing Areas outside of the City; I will ask the Chief Constable to develop a team of specials to be dedicated to policing rural areas to work alongside rural crime teams who will be specifically dedicated to Leicestershire and Rutland
- I will ask the Chief Constable to continue to develop a plan that will build upon your community's safety in relation to: business crime and rural crime
- I will ask the Chief Constable to develop a role of dedicated business crime leads to build better relationships with businesses for each area of the Force
- We aim to drive down violent crime, including knife crime, to save lives and stop the pain suffered by bereaved families. We recognise that action taken to tackle knife crime can sometimes lead to an increase in the recording of knife crime, but this is a necessary part of the drive to stop the murder of our young people on our streets
- I will ask the Chief Constable to develop tactics to guarantee a quality of service to tackle domestic abuse including more use of body worn cameras, domestic violence protection orders/notices and perpetrators programmes designed to change offender behaviours
- I will ask the Chief Constable to further develop a night-time economy strategy which drives down violence and makes our streets and premises safer
- As Victims' Champion I will work to ensure that the police and other branches of the criminal justice system respond positively to victims and consider the trauma and upset that is caused by becoming a victim of crime

Medium-term priorities are as follows:

- I will ask the Chief Constable to develop a Safer Communities Strategy where we see more officers and staff routinely working in and around schools, universities, youth clubs, festivals and places where groups of people gather
- We will seek to refresh the estate strategy to increase police presence across Leicester, Leicestershire and Rutland
- I will ask the Chief Constable to revitalise the spirit of volunteering and unleash the power of communities through more neighbourhood watches, community speed watch as well as working more coherently and productively with other community groups to tackle quality of life issues
- I will ask the Chief Constable to improve the quality of files submitted to the Crown Prosecution Service
- I will continue to invest in the work of our local Violence Reduction Network (VRN); through collaborating across the system, I will strengthen our response by deploying criminal justice responses as well as moving more upstream to develop preventative strategies aimed at tackling the root causes of serious violence, including knife crime
- I will fulfil my role in the new Serious Violence legal duty, supporting CSPs and other partners to meet the requirements of the duty as well as monitor the effectiveness of local responses

The Police Grant Final Settlement was announced on 31st January 2024 and confirmed a £7.7m increase in revenue grant funding. A further grant of £6.5m was made available to maintain the uplift in offices from 2020 to 2023. This was an increase of £2.4m compared to the previous financial year. The precept referendum threshold was confirmed at £13 for a Band D property.

Financial year 2022/23 was the last year of the Government's uplift programme for police Officers. 2024/25 was again focussed on maintaining the uplift numbers of 298 officers. The receipt of the Police Uplift Grant was linked to the maintenance of police officer numbers, which was achieved.

The Commissioner was briefed on the current financial landscape, which has become a challenging one for policing. A nationally-set pay agreement for all Police officers and Police Staff and higher inflation on contractual services, have put significant pressure on the Force's budget in 2024/25 and beyond. This resulted in budgeted deficit of £5.4m for 2024/25. The Force has a Budget Sustainability plan to close the funding gap.

In preparing the budget for 2024/25 the Chief Constable set out the resources required to deliver an efficient and effective police force. It was identified that the Force cannot, in isolation, reduce its workforce further whilst delivering a good service and high standards without further transformation, investment and by retaining the right workforce mix. The Force has embarked on a transformation program that has strengthened local leadership, enhanced the investigative approach, and focused on delivering a good service with high standards, whilst being fully integrated with the efficiency program.

The PCC also set aside funding to invest in other items totalling £1.6m (for 2024/25 only) these included additional resources for 12 months to meet demand in the Call Management Centre whilst the work on 'right care right person' is embedded, resources to meet additional training needs to ensure officers have the right skills for the role because of retirements and new legislation (accreditation) and the upgrade of the HR System. The Commissioner agreed to use £1.5m of the Budget Equalisation Reserve to fund these one-off items of expenditure.

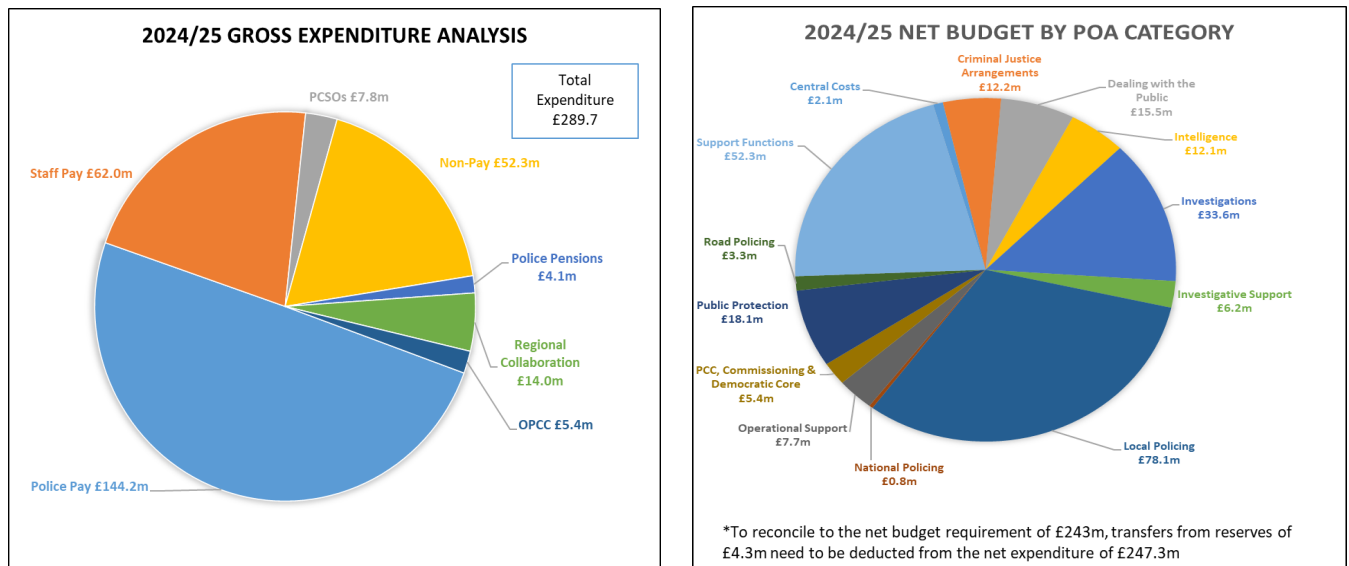
In 2024/25, the Office of the Police and Crime Commissioner for Leicestershire's budget was managed and closely monitored in conjunction with the Force. As a result, the final outturn was a managed underspend of £0.91m on a budget of £243.1m.

Narrative Report by the Chief Finance Officer

Performance and Financial Position

A net annual revenue budget for 2024/25 of £243.1m was set for the service as a whole, an increase of 5.7% over 2023/24. £237.7m was managed by the CC with the remaining £5.4m (net of grants and transfers from reserves) relating to the costs of the OPCC (£2.0m) and commissioning activities (£3.4m). The majority of the funding is provided by Government, with 39% met through the Council Tax.

The graphs below demonstrate how the budget was allocated to Police Operational Activities (POA) and by type of expenditure.



Performance against budget

As described above, the OPCC (Group) underspent its 2024/25 budget by £0.91m, after the transfer of funds to earmarked reserves, including £5.9m to meet future commitments in 2025/26 and beyond.

This includes a £2m to fund the additional resources in CMD for a further 2 years, £0.6m to fund one-off expenditure in 2025/26 and £3.4m of ongoing commitments including the Digital Transformation project.

This was attributable to:

The Office of the Chief Constable for Leicestershire – £0.317m underspend.

- An underspend on police pay and allowances of £5.4m. The Force successfully maintained the police officer uplift targets and ended the year with 2,215 FTE against an authorised establishment of 2,242 FTE. The budget was based on an average of 2,242 FTEs, the actual average profile was 2,207 FTEs across the year, or 35 FTEs lower than budgeted. The establishment was managed at a lower FTE to position the Force for the financial challenges in 2025/26. In addition:
- The Force was successful in securing a number of additional unbudgeted income streams during 2024/25 towards the cost of police officers, including Response / Hotspot funding of £504k, ARV grant and seconded officers. The police pension costs were also lower than budgeted.
- An overspend on corporate budgets of £0.303m due to increased legal expenditure on provisions for national legal cases and civil claims, increased costs of settling fleet insurance claims, the exit costs associated with the voluntary redundancy programme offset by savings on vehicle fuel, utilities, rates, police injury pensions and delays in the implementation of investment proposals and projects.
- An unbudgeted revenue contribution to capital of £3.9m to fund the capital programme in 2024/25. This has been made possible due to the savings that have been achieved during 2022/24/25 thereby reducing the borrowing requirement and debt charges in future years.
- Over achievement of the efficiency target by £0.754m. The 2024/25 budget setting process identified the requirement for a staff vacancy factor of 6% equating to £3.2m plus the efficiency target of £5.4m. The majority of the savings (£8.6m) were generated through a reduction in the police staff establishment of 120 FTEs, including 50 PCSOs by removing vacant posts, a voluntary redundancy programme and robust

vacancy management. Non-pay savings included officer overtime, stationery, hotel accommodation, operational equipment, fuel, debt charges, and grant income equating to £0.9m. These savings were offset by pressures of £0.1m.

- The police officer and staff pay award was confirmed at 4.75% with effect from 1st September 2024. The Force budgeted for a 2.5% increase in line with Home Office guidance. The government committed £175m additional grant funding for 2024/25 to meet the unbudgeted costs of the award in excess of 2.5%. The amount Leicestershire received was £2.4m.
- During the year the Force implemented a Job evaluation scheme the costs of this were slightly higher than budgeted but the costs have been offset by the police staff savings achieved,
- An underspend of £0.121m on policing functions provided regionally.
- An underspend of £1.68m in the delegated budgets as a result of additional scrutiny of overtime expenditure, changes of policies as part of the efficiency plan and over recovery of income.
- Provision to fund the additional resources in CMD for a further 2 years of £2.0m, £0.6m to fund one-off expenditure in 2025/26 and £0.9m of investment proposals.

During the year, the Chief Constable received specific grant from the Home Office to tackle serious violence crime of £1.6m

The Office of the Police and Crime Commissioner for Leicestershire – balanced budget

- The Office of the Police and Crime Commissioner underspent by £0.182m which has been transferred to an earmarked reserve at year end.

During the year, the Police and Crime Commissioner received specific grant from the Home Office to tackle serious violence crime (£1.05m).

Transfer From the Budget Equalisation (BER) - £0.59m

£0.59m has been released from the Budget Equalisation Reserve during the year. This has been used to increase the general fund balance.

Reserves

The Police Fund (General Reserve) has been increased by £0.86m to £5.86m during the year to maintain the balance at 2.3% of the net budget requirement. The total earmarked reserves have increased by £2.5m to £28.5m (including both a share of regional jointly controlled reserves as well as reserves held on behalf of partners).

Retirement Benefits

The OPCC/Force is a member of 2 pension schemes:

The Local Government Pension Scheme (LGPS) for police staff is administered by Leicestershire County Council – this is a funded defined benefit scheme, meaning that the OPCC/Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Police Pension Scheme for police officers is an unfunded single employer defined benefit scheme. This means that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they fall due.

As the Police Pension Scheme is unfunded it results in a significant liability being carried on the balance sheet.

The LGPS valuation has returned a net asset in respect of the funded obligations, this is primarily due to changes in the financial assumptions and an excess return on assets over and above the expected accounting return. The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in this assumption. This has reduced the Employer's obligations and has led to a gain of around £56.1m on the balance sheet.

The OPCC for Leicestershire

Annual Financial Report 2024/25

In accordance, with proper accounting practice, an asset ceiling calculation and IFRIC 14 assessment has been undertaken which shows that the net asset cannot be realised. As a result the net pension asset in the LGPS scheme is reduced by £149m leaving a residual liability of £18m.

Variations in the pension fund balance do occur between years due the changes in the financial and demographic assumptions and rates of return on investments used by the Fund actuaries, when valuing the scheme assets and liabilities.

Accounting for Retirement Benefits in the 2024/25 Statement of Accounts has therefore resulted in an overall pension liability of £1,515m a reduction of £0.2m. The Police Officer liability is £1,496m with the balance relating to the Local Government Pension Scheme (LGPS).

The pension liability includes provision for the implementation of the Public Service Pensions and Judicial Offices Act 2022. This legislates for how schemes will remove the age discrimination identified by the courts in the way that the 2015 reforms were introduced for some members

The liabilities show the underlying commitments that the Group has to pay retirement benefits. However, the statutory arrangements for the funding of the deficit mean that the financial position of the OPCC/Group remains stable.

Capital spending

A total of £6.3m was spent on improving the estate, investing in information technology and the vehicle fleet. This was funded by a combination of borrowing, grant, third party income including S106 and revenue contributions.

No new long term PWLB loans were taken out during the year. Outstanding long term external debt at the year-end was £13.4m (excluding accruals for interest payable). At the 31st March 2025 the Group had £11.2m of short term borrowing. £1.2m relates to PWLB debt which is repayable within 12 months and £10m from local authorities, this is all due to be repaid by August 2025.

The 'Estates' projects undertaken include:

- Cooling upgrade to IT rooms at Euston Street.
- A refurbishment of the Contract Management Department at Force Headquarters.
- Installation of solar panels at FHQ, to generate electricity for the site
- Work at the SARC to meet accreditation standards

During the year the IT Department has continued to experience delays in the delivery of the programme due to the capacity of the internal IT resources. However, the following projects were progressed during the year:

- Investment in the data network and storage to ensure network performance and support new services.
- The continuation of investment in the personal computer estate to support agile working.
- Work on the Force's telephony system (openscape)
- A complete fleet replacement of vehicle airwave terminals to extend their use until the emergency services network is delivered.
- Continuation of the upgrade to the SmartStorm command and control software.
- Skype to Teams Migration
- Provision for the capital elements of the Digital Forensics technical solution.

During 2024/25, the Transport Unit purchased a total of 50 Vehicles including 3 electric cars.

No properties were disposed of during 2024/25.

Implementation of IFRS16 – Right of Use (ROU) Assets

The IFRS 16 accounting standard has been applied with effect from 1st April 2024 and operating leases that fall under the scope of IFRS16 have now been reclassified as Right of Use Assets (ROU) on the balance sheet. This has resulted in £2.1m being added to property, plant and equipment.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1st April 2024. This means that ROU 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. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

Looking Forward - Budget 2025/26 and beyond

In November 2024, the Government announced that the local precept could be increased by £14 per annum for a Band D property, the expectation from Government being that the full increase would be implemented by Police and Crime Commissioners.

As part of the Autumn Budget the Chancellor confirmed an increase in Employers NIC to 15% and the Employers NI threshold reduced to £5,000. The increase in ER's NI and the decrease of the NI threshold resulted in an additional cost of circa £4.2m for 2025/26. The budget report stated that "Allowances have been made for the impact on public sector organisations", and grant funding of £3.9m was confirmed for Leicestershire for 2025/26.

The Autumn Budget 2024 indicated that there would be an increase for police forces in the settlement to support frontline policing. The increase settlement would "put the government on track to start to deliver the manifesto pledge to boost visible neighbourhood policing with 13,000 more neighbourhood officers and Police Community Support Officers (PCSOs)". The settlement confirmed additional funding of £1.5m for Neighbourhood Policing. This was subsequently increased to £3m.

The Commissioner welcomed the additional revenue grant funding of £5.0m, uplift grant of £5.4m (a reduction of £1.1m compared to 2024/25) provided towards funding maintaining the increase in police officer numbers as part of the previous Government's national Police Uplift Programme and reimbursement of £3.9m for the employers NIC increase

The Commissioner has been briefed on the current financial landscape, which has become a challenging one for policing. A nationally-set pay agreement for all Police officers and Police Staff, higher inflation on contractual services and changes in legislation, have put significant pressure on the Force's budget in 2025/26 and beyond. This has resulted in a remaining budgeted deficit of £1.1m for 2025/26 after removing a further £9.3m of savings. The Force has a Budget Sustainability plan to close the funding gap.

Due to the financial position no investment items were included in the 2025/26 budget proposals. However, the PCC has been able to commit to funding the increase in establishment in the Call Management Centre for a further 2 years through the use of the carry forward reserve to help protect services. This has been made possible by the over achievement of the efficiency target in 2024/25.

As part of the budget process, the Commissioner reviewed the adequacy and level of Reserves. In July 2022 it was agreed that 7m of the Budget Equalisation Reserve (BER) would be utilised for Business Transformation costs, it is anticipated that £1.7m will be spent in 2025/26. In addition, the PCC has invested £0.2m of the BER into Prevention activity aimed at reducing demand in the longer term.

In considering the proposed level of precept, the Commissioner was keen to consult with local residents regarding the level of precept they were prepared to pay. To this end he offered all residents of Leicester, Leicestershire and Rutland the opportunity to give their views.

The survey asked if residents of LLR were willing to pay more than £14 (per Band D property) to deliver an effective and properly funded Police Force in Leicester, Leicestershire and Rutland; willing to pay £14 (per Band D property) to help maintain service levels provided by Leicestershire Police or not willing to pay £14 (per Band D property) which will directly result in severe cuts and reductions in service from Leicestershire Police.

There were 1398 responses to the survey. Overall, 76% of respondents were supportive of paying at least £14 to maintain service levels of Policing in Leicestershire.

Rupert Mathew's Budget and Precept for 2025/26 is focussed upon the Commissioner's priorities as contained within the Police and Crime Plan and the Strategic Policing Requirement, and ensures there are strong links with the Force Operating Model. The proposals did include an increase of £14 per year for a Band D property to ensure The OPCC for Leicestershire

Narrative Report by the Chief Finance Officer

the continued sustainability of the budget across the Medium Term Financial Plan, but also requires £1.1m of efficiency savings to be found during the year. The proposals recommended a total revenue net budget for 2025/26 of £254.7m alongside a capital programme of £5.6m which was considered by the Police and Crime Panel in February 2025 and were unanimously supported.

The Commissioner has worked closely with PCCs across the region to deliver policing and support services collaboratively where it makes sense to do so, to provide more efficient working practices and greater resilience for each force area.

The PCC is required to issue a separate Annual Report which details the activities undertaken during the year, together with an update on priorities and statutory requirements. This report will be considered by the Police and Crime Panel on 8th September 2025.

Whilst the funding made available to the Police and Crime Commissioner increased during 2025/26 this was a single year settlement, therefore a degree of uncertainty regarding future levels of funding for the Group will continue until the details of the government spending review are announced in Spring 2025.

In conclusion, the financial arrangements of the Office of the Police and Crime Commissioner and the Office of the Chief Constable are in a sound position although it is recognised that future funding challenges remain.

Both organisations have a good reputation for managing expenditure within the resources available alongside a clear focus on a change programme to manage future challenges, supported by an adequate level of reserves that will help the force through the change process. Discussions continue to ensure that there is an appropriate balance between the change programme and its implications, and the resources available in order to deliver the priorities of the Police and Crime Plan as identified to the Commissioner by the public and partners within Leicester, Leicestershire and Rutland.

Organisational Risks

When the budget for 2025/26 was set a number of risks were highlighted in relation to the following that could impact upon the budget plans:

- Pay inflation
- The Emergency Services network
- Digital transformation and cloud migration.
- Neighbourhood Policing additional 13,000 personnel
- Forensic Service Provision

More details against each of these risks can be found at the following link to the budget and precept meeting report:

<https://leics.pcc.police.uk/Planning-and-Money/Finance/Budget-Information/Budget-2025-2026.aspx>

In addition to these the latest information reported to JARAP regarding the highest risks currently being faced include:

- Loss of power at FHQ
- Capacity within I.T. to support and enable digital transformation.
- Capacity within the custody suites
- Risk of cyber attack
- Lack of security testing in the Promaps system
- Year on year increase in complaints from members of the public
- Risk associated with the transition to an alternatively fuelled fleet
- Lack of PIP 2 detectives
- Anti-Fraud and Theft risk to the force
- Lack of technical Health and Safety risk assessments

A report was also presented to JARAP regarding the OPCC's highest risks currently faced which include:

- The Financial Challenge - 2022/23 – 2025/26
- Risk of Cyber Attack

Explanation of the financial report

The Financial Statements set out the income and expenditure and the financial position of the 'Group' and the PCC for Leicestershire for the year ending 31st March 2025.

The accounts for 2024/25 are presented in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of a local authority.

The way in which the Group operates both in consolidation and as individual bodies is described and controlled by the locally agreed Corporate Governance Framework (this includes both the Financial Regulations and Scheme of Delegation). The Framework sets out the overriding principle of the PCC having ownership of the assets and liabilities whilst being the contracting body that is legally responsible for all income and expenditure.

However in referring directly to both the Chief Constable's operational independence and "direction and control" of the Force it recognises that the Chief will have to consume resources in order to deliver the aims of the Policing Plan.

In producing these accounts, the 'substance over form' principle has been used to ensure that they best represent the reality of how the two corporations sole conduct their activities. In applying group accounting principles, transactions and balances are considered on merit and placed within the most appropriate set of single entity primary statements (i.e. the OPCC or the OCC). The Group (or consolidated) position is produced first, followed by a process of disaggregation that results in an intra-group balance within both single entity balance sheets.

The major headlines regarding the split of transaction and balances between both corporations sole are as follows:

- The 'Cost of Policing' is charged to the OCC together with a credit for the corresponding income that was received by the PCC.
- All usable reserves remain on the OPCC's balance sheet.
- All bank/investment balances together with outstanding debt remain on the OPCC's balance sheet.
- All transactions related to the Police Officer pension scheme (i.e. IAS 19) are transferred to the Chief Constable when disaggregating the Group accounts.
- The transactions related to the Police Staff pension schemes (i.e. IAS 19) are apportioned between the Chief and OPCC based on FTE when disaggregating the Group accounts.
- The receipt (and closing debtor) of the Pension Fund top-up grant payable by the Home Office in support of the Police Officer pension scheme(s) is accounted for in the OPCC's account and transferred to the CC via the inter-group transfer.
- The actual share (in effect the majority) of the accrual for employee benefits at the balance sheet date (including annual leave, rest day and time-off in lieu) has been transferred to the Chief Constable in recognition of its inherent link to the employment of staff and the responsibility to bear costs.
- All debtor and creditor accounts (i.e. PAYE or net pay accounts) that are directly attributable to the employment of either police officers or staff have been transferred in full to the Chief Constable's balance sheet.

On each single entity balance sheet an entry has been made to reflect an intra-group account that balances working capital for the Chief Constable. This is in recognition of the fact that the Chief Constable does not hold cash resources of his own and that any liabilities are paid by the PCC together with any cash receipts related to debtors.

The core financial statements (two provided, one for the Group and one for the OPCC):

The presentation of the 2024/25 Financial Statements reflects the reporting formats introduced by the 'Code' in 2016/17. An 'Expenditure and Funding Analysis' is now included in the notes. Proper accounting practices measure the resources that have been generated and consumed in the year including such things as the use of property (depreciation) and the value of pension benefits earned by employees. However, statutory provisions determine how much of the authority's expenditure needs to be met from council tax each year.

The Expenditure and Funding Analysis aims to demonstrate to council taxpayers how the funding available to the Group (i.e. government grants, council tax) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows the movement on the cash backed reserves that are available to the Group.

The services that are shown on both the Comprehensive Income and Expenditure Statement and Expenditure and Funding Analysis are determined by the performance framework and internal financial monitoring arrangements of the OPCC and CC.

Movement in Reserves Statement

The movement in the year on the different reserves held by the OPCC/Group is shown in this statement. This is analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'surplus or (deficit) on the provision of services' line shows the true economic cost of providing the OPCC's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The 'Net increase/(decrease) before transfers (to)/from earmarked reserves' line shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves are undertaken by the OPCC/Group.

Comprehensive Income and Expenditure Statement

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

The core difference between the OPCC version and the consolidated Group position is that the OPCC Comprehensive Income and Expenditure Statement demonstrates the intra-group transfer to the OCC of the costs of providing policing services whilst retaining recognition of all income. The Group Comprehensive Income and Expenditure Statement is the consolidation position of both the OPCC and the OCC, it therefore shows the net costs of providing policing services.

Balance Sheet

The value at the end of the reporting period (31st March) of the assets and liabilities recognised by the OPCC/Group are shown on the balance sheet. The net assets of the OPCC/Group (assets less liabilities) are matched by the reserves held by the OPCC/Group. Reserves are reported in two categories:

- Usable reserves - those reserves that the OPCC/Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). These include reserves that are earmarked for a specific purpose.
- Unusable reserves - those that the OPCC/Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

Cash Flow Statement

This statement shows the movement in cash and cash equivalents of the OPCC/Group during the reporting period. The statement shows how the OPCC/Group generates and uses cash and cash equivalents by classifying cash flows as; operating, investing and financing activities. The net cash flow arising from operating activities is a key indicator of the extent to which the operations of the OPCC/Group are funded by way of taxation and grant income or from the recipients of services provided by the OPCC/Group. Investing activities represent the extent to which

Narrative Report by the Chief Finance Officer

cash outflows have been made for resources which are intended to contribute to the OPCC/Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (borrowing) to the OPCC/Group.

Notes to the core financial statements

The notes provide support to the financial statements, inform the reader and give sufficient information to present a good understanding of the OPCC/Group's activities.

There are no Accounting Standards that have been issued but not yet adopted that will impact on the financial statements or any material items that have been incurred that require, separate disclosure.

The supplementary financial statements:

Pension Fund Account

The police pension schemes are unfunded and hold no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account. The Chief Constable for Leicestershire (OCC) administers the Pension Fund Account on behalf of the group with resources provided by the OPCC/Group.

Non-audited supplementary documents

Narrative Report

The purpose of the Narrative Report is to offer interested parties a more understandable guide to the most significant matters reported in the accounts. It provides an explanation in overall terms of the OPCC/Group's financial position.

Statement of responsibilities

The purpose of the Statement of Responsibilities for the Chief Finance Officer to sign a statement that the accounts present a true and fair view of the financial position of the OPCC/Group at the accounting date and of its income and expenditure for the year then ended.

Annual governance statement

Regulations require English authorities to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on this review with any Statement of Accounts.

Kira Knott
Chief Finance Officer
xxxxxx 2025

The Police and Crime Commissioner's responsibilities

The Police and Crime Commissioner 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 OPCC, that officer is the Chief Finance Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

I approve the Statement of Accounts:

Rupert Matthews
Police and Crime Commissioner
xxxxx 2025

The Chief Finance Officer's responsibilities

The Chief Finance Officer (CFO) is responsible for the preparation of the OPCC's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts the CFO, has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Local Authority Code.

The Chief Finance Officer has also:

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

Chief Finance Officer's certification

I certify that the Statement of Accounts presents a true and fair view of the financial position of the OPCC/Group at the reporting date and of its income and expenditure for the year ended 31st March 2025.

Kira Knott
Chief Finance Officer
xxxxx 2025

Comprehensive Income & Expenditure Statement (Group)

This statement shows the accounting cost in the year of providing police services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Group raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Statement of Movement in Reserves and Expenditure Funding Analysis. This statement represents the consolidated position of both the OPCC and OCC.

2023/24					2024/25		
Gross expenditure £000	Gross income £000	Net expenditure £000			Gross expenditure £000	Gross income £000	Net expenditure £000
256,117	(40,977)	215,140	Policing Services		260,204	(40,598)	219,606
2,096	(95)	2,001	Corporate & Democratic Core		2,046	(107)	1,939
8,442	(5,547)	2,895	Commissioning		8,240	(5,171)	3,069
17	-	17	Non-Distributed Costs	27	250	-	250
266,672	(46,619)	220,053	Cost of services		270,740	(45,876)	224,864
153	-	153	Other operating expenditure	3	509	-	509
82,889	(1,846)	81,043	Financing and investment income & expenditure	4	82,936	(1,447)	81,489
	(230,306)	(230,306)	Taxation & non-specific grant income	5		(243,752)	(243,752)
	(29,590)	(29,590)	Grant received from the Home Office in respect of the pension fund account	27		(31,935)	(31,935)
349,714	(308,361)	41,353	(Surplus) or deficit on provision of services		354,185	(323,010)	31,175
		(12,634)	(Surplus) / deficit on revaluation of non-current assets	29			(1,055)
		(59,402)	Actuarial (gains) / losses on pension assets/liabilities	26			(251,056)
		(72,036)	Other comprehensive income & expenditure				(252,111)
		(30,683)	Total comprehensive income & expenditure				(220,936)

Comprehensive Income & Expenditure Statement (OPCC)

This statement shows the accounting cost in the year of providing police services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The OPCC raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Statement of Movement in Reserves. This statement differs from the Group statement in that it shows the intra-group transfer between the OPCC and the OCC. This transfer represents a recharge of the costs of providing policing services to the OCC who has consumed the resources.

2023/24					2024/25		
Gross expenditure £000	Gross income £000	Net expenditure £000			Gross expenditure £000	Gross income £000	Net expenditure £000
2,001	(171)	1,830	Corporate & Democratic Core		1,868	(105)	1,763
8,442	(5,547)	2,895	Commissioning		8,240	(5,171)	3,069
-	-	-	Non-Distributed Costs	27	6	-	6
10,443	(5,718)	4,725	Cost of services		10,114	(5,276)	4,838
253,008	-	253,008	Intra-- Group Transfer		266,434	-	266,434
153	-	153	Other operating expenditure	3	509	-	509
261	(1,455)	(1,194)	Financing and investment income & expenditure	4	863	(1,448)	(585)
	(230,306)	(230,306)	Taxation & non-specific grant income	5		(243,752)	(243,752)
	(29,590)	(29,590)	Grant received from the Home Office in respect of the pension fund account	27		(31,935)	(31,935)
263,865	(267,069)	(3,204)	(Surplus) or deficit on provision of services		277,920	(282,411)	(4,491)
		(12,634)	(Surplus) / deficit on revaluation of non-current assets	29			(1,055)
		-	Actuarial (gains) / losses on pension assets/liabilities	26			54
		(12,634)	Other comprehensive income & expenditure				(1,001)
		(15,838)	Total comprehensive income & expenditure				(5,492)

Balance Sheet (Group)

The Balance Sheet shows the value of the Group's assets and liabilities at the balance sheet date. The net assets or liabilities (shown below) are matched by the Group's reserves. Reserves are separated into *usable* (i.e. those amounts the Group may use to provide police services – subject to statutory limitations) and *unusable* (i.e. those reserves where unrealised gains/(losses) reside or where adjustments are made to reconcile between accounting requirements and taxation requirements).

31 st March 2024 £000		Note	31 st March 2025 £000
2,040	Intangible assets	12	1,718
101,336	Property, Plant & Equipment	13	101,534
-	Assets held for sale	15	-
627	Investment property		691
3	Long term debtors	16	-
104,006	Total long term assets		103,943
968	Inventories	18	1,119
31,493	Short term debtors	16	31,802
10	Short term investments		10
11,217	Cash & cash equivalents	17	20,447
43,688	Current assets		53,378
(34,253)	Short term creditors	19/32	(30,185)
(4,096)	Short term borrowing	20.2	(11,369)
-	Finance Lease – Short Term	10	(90)
(1,062)	Provisions	22	(1,817)
-	Cash & cash equivalents	17	(47)
(39,411)	Current liabilities		(43,508)
4,277	Net current assets		9,870
(14,569)	Long term borrowing	20.1	(13,394)
-	Finance Lease – Long Term	10	(1,687)
(873)	Grants Receipts in Advance - Capital	11	(521)
(1,730,712)	Liability related to defined benefit pension schemes	27	(1,515,146)
(1,746,154)	Long term liabilities		(1,530,748)
(1,637,871)	Net assets / (liabilities)		(1,416,935)
(31,396)	Usable reserves*	23	(34,782)
1,669,267	Unusable reserves	24	1,451,717
1,637,871	Total reserves		1,416,935

*This includes reserves that are earmarked for a specific purpose (Earmarked Reserves)

Certification

The draft financial statements on pages 1 to 97 were authorised for issue on the 26th June 2025.



Balance Sheet (OPCC)

The Balance Sheet shows the value of the OPCC's assets and liabilities at the balance sheet date. The net assets or liabilities (shown below) are matched by the OPCC's reserves. Reserves are separated into *usable* (i.e. those amounts the OPCC may use to provide police services – subject to statutory limitations) and *unusable* (i.e. those reserves where unrealised gains/(losses) reside or where adjustments are made to reconcile between accounting requirements and taxation requirements).

31 st March 2024 £000		Note	31 st March 2025 £000
2,040	Intangible assets	12	1,718
101,336	Property, Plant & Equipment	13	101,534
-	Assets held for sale	15	-
627	Investment property		691
-	Long term debtors	16	-
104,003	Total long term assets		103,943
968	Inventories	18	1,119
31,330	Short term debtors	16	31,604
10	Short term investments		10
11,217	Cash & cash equivalents	17	20,447
43,525	Current assets		53,180
(24,536)	Short term creditors	19/32	(20,287)
(4,096)	Short term borrowing	20.2	(11,369)
-	Finance Lease – Short Term		(90)
(1,062)	Provisions	22	(1,817)
-	Cash & cash equivalents	17	(47)
(4,359)	Intra – Group Creditor		(4,435)
(34,053)	Current liabilities		(38,045)
9,472	Net current assets		15,135
(14,569)	Long term borrowing	20.1	(13,394)
-	Finance Lease – Long Term		(1,687)
(873)	Grants Receipts in Advance - Capital	11	(521)
(15,442)	Long term liabilities		(16,024)
98,033	Net assets / (liabilities)		103,054
(31,396)	Usable reserves*	23	(34,782)
(66,637)	Unusable reserves	24	(68,272)
(98,033)	Total reserves		(103,054)

*This includes reserves that are earmarked for a specific purpose (Earmarked Reserves)

Certification

The draft financial statements on pages 1 to 97 were authorised for issue on the 26th June 2025.



Statement of Movement in Reserves (Group)

The movement in the year on the different reserves held by the Group is shown in this statement. This is analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the general fund balance for council tax setting purposes. The 'net increase/(decrease) before transfers (to)/from earmarked reserves' line shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Group.

Further details of the movements can be seen in the notes as referenced below.

2024/25	General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
Note	23	23	23	23	24	
	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	(5,000)	(25,976)	(420)	(31,396)	1,669,267	1,637,871
Movement in reserves during 2024/25						
Surplus or deficit on the provision of services	31,175	-	-	31,175	-	31,175
Other Comprehensive Income and Expenditure	-	-	-	-	(252,111)	(252,111)
Total Comprehensive Income and Expenditure	31,175	-	-	31,175	(252,111)	(220,936)
Adjustments between accounting basis and funding basis under regulations (Note 1)	(34,546)	-	(15)	(34,561)	34,561	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(3,371)	-	(15)	(3,386)	(217,550)	(220,936)
Transfers to/from Earmarked Reserves	2,511	(2,511)	-	-	-	-
Increase or Decrease in 2024/25	(860)	(2,511)	(15)	(3,386)	(217,550)	(220,936)
Balance at 31 March 2025	(5,860)	(28,487)	(435)	(34,782)	1,451,717	1,416,935

2023/24	General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
Note	23 £000	23 £000	23 £000	23 £000	24 £000	£000
Balance at 31 March 2023	(5,000)	(27,089)	(420)	(32,509)	1,701,063	1,668,554
Movement in reserves during 2023/24						
Surplus or deficit on the provision of services	41,353	-	-	41,353	-	41,353
Other Comprehensive Income and Expenditure	-	-	-	-	(72,036)	(72,036)
Total Comprehensive Income and Expenditure	41,353	-	-	41,353	(72,036)	(30,683)
Adjustments between accounting basis and funding basis under regulations (Note 1)	(40,240)	-	-	(40,240)	40,240	-
Net Increase or Decrease before Transfers to Earmarked Reserves	1,113	-	-	1,113	(31,796)	(30,683)
Transfers to/from Earmarked Reserves	(1,113)	1,113	-	-	-	-
Increase or Decrease in 2023/24	-	1,113	-	1,113	(31,796)	(30,683)
Balance at 31 March 2024	(5,000)	(25,976)	(420)	(31,396)	1,669,267	1,637,871

Statement of Movement in Reserves (OPCC)

2024/25	General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
Note	23 £000	23 £000	23 £000	23 £000	24 £000	£000
Balance at 31 March 2024	(5,000)	(25,976)	(420)	(31,396)	(66,166)	(97,562)
Movement in reserves during 2024/25						
Surplus or deficit on the provision of services	(4,491)	-	-	(4,491)	-	(4,491)
Other Comprehensive Income and Expenditure	-	-	-	-	(1,001)	(1,001)
Total Comprehensive Income and Expenditure	(4,491)	-	-	(4,491)	(1,001)	(5,492)
Adjustments between accounting basis and funding basis under regulations (Note 1)	1,120	-	(15)	1,105	(1,105)	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(3,371)	-	(15)	(3,386)	(2,106)	(5,492)
Transfers to/from Earmarked Reserves	2,511	(2,511)	-	-	-	-
Increase or Decrease in 2024/25	(860)	(2,511)	(15)	(3,386)	(2,106)	(5,492)
Balance at 31 March 2025	(5,860)	(28,487)	(435)	(34,782)	(68,272)	(103,054)

2023/24	General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
Note	23 £000	23 £000	23 £000	23 £000	24 £000	£000
Balance at 31 March 2023	(5,000)	(27,089)	(420)	(32,509)	(49,686)	(82,195)
Movement in reserves during 2023/24						
Surplus or deficit on the provision of services	(3,204)	-	-	(3,204)	-	(3,204)
Other Comprehensive Income and Expenditure	-	-	-	-	(12,634)	(12,634)
Total Comprehensive Income and Expenditure	(3,204)	-	-	(3,204)	(12,634)	(15,838)
Adjustments between accounting basis and funding basis under regulations (Note 1)	4,317	-	-	4,317	(4,317)	-
Net Increase or Decrease before Transfers to Earmarked Reserves	1,113	-	-	1,113	(16,951)	(15,838)
Transfers to/from Earmarked Reserves	(1,113)	1,113	-	-	-	-
Increase or Decrease in 2023/24	-	1,113	-	1,113	(16,951)	(15,838)
Balance at 31 March 2024	(5,000)	(25,976)	(420)	(31,396)	(66,637)	(98,033)

Cash Flow Statement (Group)

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery.

Cash flows arising from *financing* activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2023/24 £000		Note	2024/25 £000
41,353	Net (surplus) or deficit on the provision of services		31,175
(43,349)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	33.2	(40,814)
880	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	33.3	670
(1,116)	Net cash flows from operating activities		(8,969)
8,706	Investing activities	34	5,556
(4,003)	Financing activities	35	(5,770)
3,587	Net (increase) or decrease in cash and cash equivalents		(9,183)
(14,804)	Cash and cash equivalents at the beginning of the reporting period	17	(11,217)
(11,217)	Cash and cash equivalents at the end of the reporting period	17	(20,400)

Cash Flow Statement (OPCC)

The Cash Flow Statement shows the changes in cash and cash equivalents of the OPCC during the reporting period. The statement shows how the OPCC generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the OPCC are funded by way of taxation and grant income or from the recipients of services provided by the OPCC.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the OPCC'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 OPCC.

2023/24 £000		Note	2024/25 £000
(3,204)	Net (surplus) or deficit on the provision of services		(4,491)
1,208	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	33.2	(5,148)
880	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	33.3	670
(1,116)	Net cash flows from operating activities		(8,969)
8,706	Investing activities	34	5,556
(4,003)	Financing activities	35	(5,770)
3,587	Net (increase) or decrease in cash and cash equivalents		(9,183)
(14,804)	Cash and cash equivalents at the beginning of the reporting period	17	(11,217)
(11,217)	Cash and cash equivalents at the end of the reporting period	17	(20,400)

1. Adjustments between accounting basis and funding basis under regulations (Group & OPCC)

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

GROUP 2024/25	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	(35,490)	-	-	35,490
Council tax and NDR (transfers to or from the Collection Fund)	(9)	-	-	9
Holiday pay (transferred to the Accumulated Absences reserve)	(84)	-	-	84
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(8,825)	-	(44)	8,869
Total Adjustments to Revenue Resources	(44,408)	-	(44)	44,452
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	5,363	-	-	(5,363)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	4,499	-	-	(4,499)
Total Adjustments between Revenue and Capital Resources	(9,862)	-	-	(9,862)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-
Application of capital grants to finance capital expenditure	-	-	29	(29)
Total Adjustments to Capital Resources	-	-	29	(29)
Total Adjustments	(34,546)	-	(15)	34,561

Notes to the core financial statements

GROUP 2023/24	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	(45,992)	-	-	45,992
Council tax and NDR (transfers to or from the Collection Fund)	(443)	-	-	443
Holiday pay (transferred to the Accumulated Absences reserve)	1,426	-	-	(1,426)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(6)	-	(49)	55
Total Adjustments to Revenue Resources	(45,015)	-	(49)	45,064
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	110	(110)	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	3,537	-	-	(3,537)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,128	-	-	(1,128)
Total Adjustments between Revenue and Capital Resources	4,775	(110)	-	(4,665)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	110	-	(110)
Application of capital grants to finance capital expenditure	-	-	49	(49)
Total Adjustments to Capital Resources	-	110	49	(159)
Total Adjustments	(40,240)	-	-	40,240

OPCC 2024/25	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	103	-	-	(103)
Council tax and NDR (transfers to or from the Collection Fund)	(9)	-	-	9
Holiday pay (transferred to the Accumulated Absences reserve)	(11)	-	-	11
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(8,825)	-	(44)	8,869
Total Adjustments to Revenue Resources	(8,742)	-	(44)	8,786
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	5,363	-	-	(5,363)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	4,499	-	-	(4,499)
Total Adjustments between Revenue and Capital Resources	9,862	-	-	(9,862)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-
Application of capital grants to finance capital expenditure	-	-	29	(29)
Total Adjustments to Capital Resources	-	-	29	(29)
Total Adjustments	1,120	-	(15)	(1,105)

Notes to the core financial statements

OPCC 2023/24	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Council tax and NDR (transfers to or from the Collection Fund)	(443)	-	-	443
Holiday pay (transferred to the Accumulated Absences reserve)	(9)	-	-	9
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(6)	-	(49)	55
Total Adjustments to Revenue Resources	(458)	-	(49)	507
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	110	(110)	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	3,537	-	-	(3,537)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,128	-	-	(1,128)
Total Adjustments between Revenue and Capital Resources	4,775	(110)	-	(4,665)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	110	-	(110)
Application of capital grants to finance capital expenditure	-	-	49	(49)
Total Adjustments to Capital Resources	-	110	49	(159)
Total Adjustments	4,317	-	-	(4,317)

2. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, council tax) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding analysis also shows how this expenditure is allocated for decision making purposes between the Group/OPCC's services.

2023/24		
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000
227,007	(11,867)	215,140
1,992	9	2,001
2,895	-	2,895
-	17	17
231,894	(11,841)	220,053
(230,781)	52,081	(178,700)
1,113	40,240	41,353
(32,089)		
1,113		
(30,976)		

GROUP	2024/25		
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
Note	£000	2.1	£000
Policing Services	235,134	(15,528)	219,606
Corporate & Democratic Core	2,035	(96)	1,939
Commissioning	3,069	-	3,069
Non-Distributed Costs	-	250	250
Net Cost of Services	240,238	(15,374)	224,864
Other Income and Expenditure	(243,609)	49,920	(193,689)
Surplus or Deficit on Provision of Services	(3,371)	34,546	31,175
Opening Combined General Fund Balance	(30,976)		
Plus / less Surplus or Deficit on the General Fund for the Year (Statutory basis)	(3,371)		
Closing Combined General Fund Balance	(34,347)		

Notes to the core financial statements

2023/24			2024/25			
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	OPCC <i>Note</i>	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
1,821	9	1,830	Corporate & Democratic Core Commissioning Non-Distributed Costs	1,859	(96)	1,763
2,895	-	2,895		3,069	-	3,069
-	-	-		-	6	6
4,716	9	4,725	Net Cost of Services	4,928	(90)	4,838
(3,603)	(4,326)	(7,929)	Other Income and Expenditure	(8,299)	(1,030)	(9,329)
1,113	(4,317)	(3,204)	Surplus or Deficit on Provision of Services	(3,371)	(1,120)	(4,491)
(32,089)			Opening Combined General Fund Balance	(30,976)		
1,113			Plus / less Surplus or Deficit on the General Fund for the Year (Statutory basis)	(3,371)		
(30,976)			Closing Combined General Fund Balance	(34,347)		

2.1 Note to Expenditure and Funding Analysis

GROUP	2024/25				
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000	£000
Policing Services	4,551	(14,789)	(5,290)	-	(15,528)
Corporate & Democratic Core	-	(107)	11	-	(96)
Commissioning	-	-	-	-	-
Non-Distributed Costs	-	250	-	-	250
Net Cost of Services	4,551	(14,646)	(5,279)	-	(15,374)
Other Income and Expenditure	(225)	50,136	9		49,920
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	4,326	35,490	(5,270)	-	34,546

Notes to the core financial statements

GROUP	2023/24				
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000	£000
Policing Services	(224)	(6,673)	(4,970)	-	(11,867)
Corporate & Democratic Core	-	-	9	-	9
Commissioning	-	-	-	-	-
Non-Distributed Costs	-	17	-	-	17
Net Cost of Services	(224)	(6,656)	(4,961)	-	(11,841)
Other Income and Expenditure	(1,009)	52,648	442	-	52,081
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	(1,233)	45,992	(4,519)	-	40,240

OPCC	2024/25				
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000	£000
Corporate & Democratic Core	-	(107)	11	-	(96)
Commissioning	-	-	-	-	-
Non-Distributed Costs	-	6	-	-	6
Net Cost of Services	-	(101)	11	-	(90)
Other Income and Expenditure	4,326	(2)	(5,354)	-	(1,030)
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	4,326	(103)	(5,343)	-	(1,120)

OPCC	2023/24				
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000	£000
Corporate & Democratic Core	-	-	-	-	-
Commissioning	-	-	9	-	9
Non-Distributed Costs	-	-	-	-	-
Net Cost of Services	-	-	9	-	9
Other Income and Expenditure	(1,231)	-	(3,095)	-	(4,326)
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	(1,231)	-	(3,086)	-	(4,317)

2.2 Expenditure and Income Analysed by Nature (Group & OPCC)

This note provides an alternative breakdown of the Group's *cost of services* using descriptions used in the Group's internal management reporting. It is provided to allow the reader of these financial statements an opportunity to see what the major areas of expenditure and income are for the Group.

It should be noted that this analysis includes some items within *cost of services* that are not required to be charged against the general fund for council tax purposes – this analysis does not therefore constitute the revenue budget of the Group.

2023/24 OPCC £000	2023/24 Group £000	Nature of Expenditure or Income	Note	2024/25 OPCC £000	2024/25 Group £000
39	135,960	Police officer pay and allowances		-	143,822
1,415	69,010	Police staff pay and allowances		1,536	72,542
-	3,792	Police pensions			4,037
-	(6,673)	IAS 19 Current Cost Adjustment (pensions)	27	(107)	(14,896)
11	1,890	Other employees expenses		5	1,978
3	7,649	Premises		2	6,270
8	4,242	Transport		6	4,363
444	25,131	Supplies and services		421	25,461
5	7,831	Agency and contracted services		5	7,610
-	2,096	The Office of the Police and Crime Commissioner		-	1,870
8,442	8,442	Commissioning Activities by the PCC		8,240	8,240
-	129	Revenue expenditure financed from capital resources (REFCUS)	14/30	-	49
-	7,155	Depreciation & amortisation charges	12/13	-	8,199
-	(6,447)	(Surplus) / deficit on revaluation of non-current assets (not covered by accumulated revaluation gains)	13	-	763
-	17	Non-distributed costs regarding pensions	27	6	250
10,367	260,224	Gross operating expenditure		10,114	270,558
-	(19,624)	Income from government grants	11	-	(25,288)
-	(12,585)	Income from fees and charges		-	(13,320)
-	(2,320)	Contributions from other local authorities		-	(1,915)
(95)	(95)	The Office of the Police and Crime Commissioner		(105)	-
(5,547)	(5,547)	Commissioning grant and other income		(5,171)	(5,171)
4,725	220,053	Cost of services		4,838	224,864
153	153	Other operating expenditure	3	509	509
(1,194)	81,043	Financing and investment income & expenditure	4	(585)	81,489
(230,306)	(230,306)	Taxation & non-specific grant income	5	(243,752)	(243,752)
(29,590)	(29,590)	Grant received from the Home Office in respect of the pension fund account	27	(31,935)	(31,935)
253,008	-	Intra-group Transfer		266,434	-
(3,204)	41,353	(Surplus) or deficit on provision of services		(4,491)	31,175

3. Other operating expenditure (Group & OPCC)

This line on the Comprehensive Income & Expenditure Statement includes the following items:

2023/24 Outturn £000		Note	2024/25 Outturn £000
153	(Gains)/losses on the disposal of non-current assets	12/13	509
153			509

4. Financing and investment income & expenditure (Group & OPCC)

This line on the Comprehensive Income & Expenditure Statement includes the following items:

2023/24 OPCC £000	2023/24 Group £000		Note	2024/25 OPCC £000	2024/25 Group £000
652	652	Interest payable and similar charges		865	865
-	82,237	Pensions net interest cost	27	(2)	82,071
(1,428)	(1,428)	Interest receivable and similar income		(1,453)	(1,453)
(27)	(27)	Income and expenditure in relation to investment properties		(29)	(29)
(391)	(391)	Changes in the market value of investment properties	30	(64)	(63)
-	-	Finance Lease Interest	10	98	98
(1,194)	81,043			(585)	81,489

5. Taxation and non-specific grant income (Group & OPCC)

This line on the Comprehensive Income & Expenditure Statement includes the following items:

2023/24 Outturn £000		Note	2024/25 Outturn £000
(92,822)	Council tax income	8	(98,723)
(88,979)	Police grant		(95,643)
(47,735)	Ex-CLG grant		(48,716)
(770)	Capital grants and contributions		(670)
(230,306)			(243,752)

Council tax income is presented on an accruals basis whilst the police and Ex Communities and Local Government grants are on a cash basis – the full amount having been received in the year. Further explanation regarding the accounting treatment for council tax can be seen in accounting policy A6.

A breakdown of the amounts received from each billing authority can be seen in note 8 – Related parties (on an accruals basis)

6. Officers' remuneration (Group & OPCC)

The remuneration paid to the OPCC/Group's senior officers and relevant police officers is as follows:

2024/25	Notes	Salary	Benefits in kind	Other payments	Expense allowances	Compensation for loss of office	Pension contributions	Total
		£	£	£ Note 1	£ Note 2	£	£	£
The Office of the CC								
Chief Constable –Mr R Nixon (<i>retired 31/03/2025</i>)		193,565	-	3,376	8,500	-	-	205,441
Deputy Chief Constable		145,382	5,320	-	500	-	51,320	202,522
<i>Assistant Chief Constables</i>								
Senior Police Officer Q		133,191	1,300	-	500	-	47,016	182,007
Senior Police Officer R		122,878	1,082	-	500	-	43,376	167,836
Senior Police Officer S (<i>ceased 02/06/2024</i>)	4	22,897	-	-	980	-	5,515	29,392
<i>Assistant Chief Officers</i>								
Finance & Resources		115,584	-	-	5,681	-	28,780	150,045
ACO Human Resources		100,314	-	-	5,527	-	24,978	130,819
		833,811	7,702	3,376	22,188	-	200,985	1,068,062
Office of the PCC								
Chief Executive G		92,494	-	-	-	-	23,031	115,525
Chief Finance Officer		85,173	-	-	-	-	21,208	106,381
		177,667	-	-	-	-	44,239	221,906
Group		1,011,478	7,702	3,376	22,188	-	245,224	1,289,968

Note 1 – Housing allowance for uniformed officers.

Note 2 - Expense allowances include car allowances for employees who provide their own vehicles and private health care.

Note 3 – All chief officers have forgone their eligibility to be considered for an annual performance related bonus payment.

Note 4 – Senior Police Officer S was undertaking a national role in Criminal Justice but was also part of the Leicestershire Chief Officer Team. The costs of this post were externally funded. The Officer left the Force on the 2nd June 2024.

2023/24	Notes	Salary	Benefits in kind	Other payments	Expense allowances	Compensation for loss of office	Pension contributions	Total
		£	£	£ Note 1	£ Note 2		£	£
The Office of the CC								
Chief Constable –Mr R Nixon		174,971		3,376	8,500	-	20,485	207,332
Deputy Chief Constable		136,523	5,514	-	500	-	42,322	184,859
<i>Assistant Chief Constables</i>								
Senior Police Officer P (retired 02/10/2023)	4	61,964	-	1,331	2,541	-	19,209	85,045
Senior Police Officer Q		119,916	291	-	4,135	-	34,014	158,356
Senior Police Officer R (commenced 21/08/2023)	5	70,277	452	-	1,112	-	21,786	93,627
Senior Police Officer S (commenced 11/09/2023)	6	63,903	-	-	3,091	-	15,623	82,617
<i>Assistant Chief Officers</i>								
Finance & Resources		109,512	-	-	5,585		27,268	142,365
ACO Human Resources		94,937			5,527		23,639	124,103
Office of the PCC		832,003	6,257	4,707	30,991	-	204,346	1,078,304
Interim Chief Executive F (ceased 13/09/2023)	7	-	-	43,478	-	-	-	43,478
Chief Executive G (commenced 11/09/2023)		50,000	-	-	-	-	12,450	62,450
Chief Finance Officer (commenced 01/02/2023)		77,384	-	-	-	-	19,269	96,653
		127,384	-	43,478	-	-	31,719	202,581
Group	-	959,387	6,257	48,185	30,991	-	236,065	1,280,885

Note 1 – Housing allowance for uniformed officers and fees for the Interim Chief Executive Officer engaged through consultancy services.

Note 2 - Expense allowances include car allowances for employees who provide their own vehicles and private health care.

Note 3 – All chief officers have forgone their eligibility to be considered for an annual performance related bonus payment.

Note 4 – Senior Police Officer P retired on the 2nd October 2023 on annualised salary of £129,600.

Note 5 – Senior Police Officer R joined the Force on the 21st August 2023 on annualised salary of £115,026.

Note 6 – Senior Police Officer S was promoted on the 11th September 2023 on annualised salary of £115,026 to undertake a national role in Criminal Justice but was also part of the Leicestershire Chief Officer Team. The costs of this post were externally funded.

Note 7 - The services of Interim Chief Executive F were engaged as a consultant CEO until the 13th September 2023 when a permanent Chief Executive Officer was appointed on an annualised salary of £90,000

Notes to the core financial statements

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

Group

Remuneration band £		2023/24 number of employees	2024/25 number of employees
50,000 to 54,999		46	68
55,000 to 59,999		26	42
60,000 to 64,999		6	15
65,000 to 69,999		9	9
70,000 to 74,999		5	5
75,000 to 79,999		6	7
80,000 to 84,999		1	1
85,000 to 89,999		2	4
90,000 to 94,999		3	-
95,000 to 99,999		1	1
100,000 to 104,999		1	2
105,000 to 109,999		-	-
110,000 to 114,999		-	1
115,000 to 119,999		-	1

- The bandings only include the remuneration of employees and senior police officers who have not been disclosed individually; i.e. above the rank of Superintendent.
- Six of the above posts are National / seconded positions for which the Force receives external funding.
- Leicestershire OPCC is the lead employer for the following regional teams; East Midlands Special Operations Unit, Major Crime and East Midlands Collaborative Human Resources Service (EMCHRS) Learning & Development, 41 of the police staff employees included in the table above work in the regional teams. Leicestershire only meets its share of their costs with the remainder being funded by the other regional forces.

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

Group

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band £	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	3	3	1	10	4	13	25,057	89,020
£20,001 - £40,000	1	-	-	2	1	2	25,747	63,376
£40,001 - £60,000	-	-	-	2	-	2	-	87,392
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	1	-	1	-	109,577
total	4	3	1	15	5	18	50,804	349,365

The table above only includes the exit packages for employees who have not been disclosed individually.

7. Jointly Controlled Operations (Group)

The Group participates in collaborative arrangements with other East Midlands Forces. The police officers involved are seconded from the individual forces and all costs are borne in agreed proportions. Details of the member forces are set out in the table below (where reference is made to 'all 5 forces' this refers to Leicestershire, Derbyshire, Nottinghamshire, Northamptonshire and Lincolnshire). With effect from 1 April 2024 the function of EM Occupational Health transferred back to forces and the units disbanded.

East Midlands (EM) Jointly Controlled Operations

Jointly Controlled Operation	Member Forces	Ownership %	Lead Force
EM Special Operations Unit (inc Technical Support Unit)	All 5 Forces	22.9 %	Leicestershire
EM Major Crime	All 5 Forces	22.9 %	Leicestershire
EM Forensics	All 5 Forces	22.9 %	Derbyshire
EM Legal Services	All 5 Forces	22.9 %	Derbyshire
EM Learning & Development	Leicestershire, Nottinghamshire, Northamptonshire and Derbyshire	26.4 %	Leicestershire
EM HR Shared Service Centre	Leicestershire & Derbyshire	50.0 %	Derbyshire
EM ESN Programme Team	All 5 Forces	22.6 %	Leicestershire
ASU (Hangar Only)	Leicestershire, Northamptonshire and Warwickshire	33.3 %	Leicestershire

The following tables relate to Leicestershire's share only.

7.1 Comprehensive Income & Expenditure Statement Jointly Controlled Operations

2023/24 £000		2024/25 £000
3,291	Police pay & allowances	3,632
6,073	Police Staff pay & allowances	7,098
209	Other employees expenses	153
192	Premises	127
229	Transport	217
1,055	Supplies & services	1,287
(1,093)	Income from Government Grants	(1,678)
(284)	Income from Fees & charges	(543)
(9,658)	Funding provided to the pooled budget	(10,607)
280	Depreciation & Amortisation	291
(267)	(Surplus) / Deficit on revaluation of non-current assets (not covered by accumulated revaluation gains)	-
27	Cost of Services	(23)
(1)	Gains / Losses on disposal of non-current assets	2
-	Finance Lease Interest	3
(58)	Capital Grants & Contributions	-
(32)	(Surplus) / Deficit on Provision of Services	(18)
99	(Surplus) / Deficit on revaluation on non-current assets (covered by accumulated revaluation gains)	(134)
67	Total Comprehensive Income & Expenditure	(152)

7.2 Balance Sheet Jointly Controlled Operations

2023/24 £000		2024/25 £000
14	Intangible Fixed Assets	17
2,036	Land & Buildings	1,999
-	Right of Use Assets	183
617	Vehicles & equipment	555
11	Assets Under Construction	7
2,678	Total Long Term Assets	2,761
757	Short-term Debtors	717
846	Cash & Cash Equivalents	1,633
1,603	Current Assets	2,350
(959)	Short-term Creditors	(1,587)
(959)	Current Liabilities	(1,587)
644	Net Current Liabilities	763
-	Finance Lease – Long Term	(50)
-	Long Term Liabilities	(50)
3,322	Net Assets	3,474
(829)	Earmarked Reserves	(977)
(829)	Usable Reserves	(977)
(2,651)	Capital Adjustment Account	(2,545)
(25)	Revaluation Reserve	(160)
183	Accumulated Absences Account	208
(2,493)	Unusable Reserves	(2,497)
(3,322)	Total Reserves	(3,474)

7.3 Movement in Reserves Jointly Controlled Operations

2023/24	2024/25				
Total all JCO Reserves £000		Total General Fund £000	Earmarked Reserves £000	Total Unusable Reserves £000	Total all JCO Reserves £000
(3,389)	Balance Brought Forward	-	(829)	(2,493)	(3,322)
(32)	(Surplus) or deficit on the provision of services	(18)			(18)
99	Other comprehensive income & expenditure	(134)			(134)
67	Total comprehensive income & expenditure	(152)	-	-	(152)
	Adjustments between accounting basis & funding basis under regulations				
	Depreciation / amortisation	(291)		291	
	Disposal of non-current assets	(6)		6	
	Revaluation of non-current assets	-		-	
	Revaluation of non-current assets held for sale			-	
	Capital grants / contributions applied to capital expenditure	-		-	
	Revenue Expenditure Funded From Capital (REFCUS)			-	
	Charges for Employee Benefits	(25)		25	
	Capital grants / contributions unapplied credited / debited to CIES	-		-	
	Insertion of items not debited or credited to the CIES				
	Provision for repayment of Debt	1			
	Capital expenditure charged against the General Fund	191		(191)	
	Revaluation of non-current assets not charged to CIES	134		(134)	
67	Net (increase)/decrease before transfers to/(from) earmarked reserves	(148)	-	(4)	(152)
	Transfers to/(from) earmarked reserves	148	(148)		
67	(Increase)/decrease in 2023/24	-	(148)	(4)	(152)
(3,322)	Balance at end of year	-	(977)	(2,497)	(3,474)

8. Related parties (Group & OPCC)

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

Central government has significant control over the general operations of the OPCC/Group. It is responsible for providing the statutory framework within which the OPCC/Group operates, and provides the majority of funding in the form of general or specific grants.

Senior officers of the OPCC have direct control or influence over the OPCC/Group's financial and operating policies. No material related party transactions have been identified following consultation with former members and relevant officers.

The OPCC/Group participated in 8 jointly controlled operations with other neighbouring police forces. See note 7 for further details.

In addition to the above, the OPCC/Group also had transactions during the year with other local authorities and public bodies. The transactions have been disclosed elsewhere within the notes to the financial statements.

Notes to the core financial statements

Precept funding was received from the following local authorities during the year:

2023/24 £000	Amounts are shown on an accruals basis	2024/25 £000
(9,375)	Blaby District Council	(9,823)
(16,206)	Charnwood Borough Council	(17,220)
(10,357)	Harborough District Council	(11,178)
(10,765)	Hinckley & Bosworth Borough Council	(11,447)
(21,584)	Leicester City Council	(22,875)
(5,364)	Melton Borough Council	(5,864)
(10,005)	North-West Leicestershire District Council	(10,556)
(4,807)	Oadby & Wigston Borough Council	(5,216)
(4,359)	Rutland County Council	(4,544)
(92,822)	Total	(98,723)

A further analysis of grants and contributions received can be seen in the grant income note (Note 11).

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

9. External audit costs (Group & OPCC)

In 2024/25 the OPCC/Group incurred the following fees relating to external audit.

2023/24		Costs	2024/25	
OPCC	Group		OPCC	Group
£000	£000		£000	£000
98	149	Scale Fee	103	157
-	-	Additional Fees	-	-
(13)	(20)	Redmond Grant	(13)	(20)
85	129	Total	90	137

The Group received a grant of £20k during 2024/25, under Section 31 of the Local Government Act 2003 – Grant Determination. This was in response to the Redmond Review and relates to a Local Audit Fees Grant.

10. Leases (Group & OPCC)

10.1 OPCC as lessee

Right-of-use assets

The adoption of IFRS 16 is a change in accounting policy for the 2024/25 financial statements. The previous accounting standard was IAS 17.

In 2024/25 Leicestershire Police applied IFRS 16 Leases as permitted 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 liability) a right of use (ROU) asset and a lease liability are to be brought onto the balance sheet at 01st April 2024. Leases for items of low value (£10,000 or less) and lease's that expire on or before 31st March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1st April 2024. This means that ROU assets and lease liabilities have been calculated as if IFRS 16 had always applied but

Notes to the core financial statements

recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1st April 2024, discounted by the incremental borrowing rate at that date
- ROU assets are measured at the amount of lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31st March 2024 – any initial direct costs have been excluded
- All leases were assessed at 31st March 2024

Leicestershire Police employed a specialist property agent 'Bruton Knowles' a trusted RCIS accredited chartered surveyor to revalue land and building assets.

Nine leases have been recognised and brought onto the balance sheet and three leases, which were previously held as finance leases, have been transferred to the right-of-use asset register.

Eight leases relate to land and buildings, one relates to a vehicle and the remaining three leases relate to equipment. However, four of the right-of use assets (Spinney Hill Land, Coalville, Lutterworth Neighbourhood Office and Market Bosworth Offices are classed as peppercorn assets as the lease payments are nil or substantially below market lease payments.

The table shows the change in value of right-of-use-assets held under leases.

Right of Use Assets	Land & Buildings £000	Vehicles & equipment £000	Total £000
Balance at 01/04/2024	-	-	-
Recognition of Right of Use Assets	1,795	327	2,122
Additions	3	-	3
Revaluations	399	-	399
Depreciation and amortisation	(47)	(136)	(183)
Disposals	-	-	-
Transfers	-	-	-
Balance at 31/03/2025	2,150	191	2,341

Peppercorn Assets	Land and Buildings £000	Vehicles and equipment £000	Total £000
Balance at 01/04/2024	540	-	540
Recognition of Right of Use Assets	-	-	-
Additions	22	-	22
Revaluations	41	-	41
Depreciation and amortisation	-	-	-
Disposals	-	-	-
Transfers	81	-	81
Balance at 31/03/2025	684	-	684

Transactions under leases

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

	2024/25 £000
<i>Comprehensive income and expenditure statement</i>	
Interest expenses on lease liabilities	98
Short-term lease expense	328
<i>Cash flow statement</i>	
Total cash outflow for leases	426

Maturity analysis of lease liabilities

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

	31 st March 2025 £000
Less than one year	426
One to five years	1,105
More than five years	582
Total undiscounted liabilities	2,113

10.2 OPCC as lessor (Group & OPCC)

Operating leases

The OPCC leases out office accommodation and space on radio masts under operating leases for the following purposes:

- Space on radio masts for telecommunication services

The future minimum lease payments receivable under non-cancellable leases in future years are:

2023/24 £000		2024/25 £000
	Minimum lease receivables	
	Receivable:	
90	Not later than one year	136
508	Later than one year and not later than five years	294
-	Later than five years	-

11. Grant income (Group & OPCC)

The OPCC/Group credited the following grants and contributions to the Comprehensive Income & Expenditure Statement during the year. The grants are included in the cost of services section and also shown separately in the subjective analysis note (note 2.2)

2023/24 £000		2024/25 £000
	Credited to services: Force	
(8)	Op Energy	-
(4,500)	Dedicated Security Grant	(4,261)
(747)	Proceeds of Crime Act/Incentivisation	(983)
(1,093)	EMSOU (22.9% Share)	(1,678)
-	Specials Operations	(201)
(662)	Serious Violent Crime Initiatives	(1,572)
(1,903)	Police Pensions Grant	(6,586)
(4,907)	Police Officer 2024 Pay Award Grant	(2,434)
(4,232)	Uplift PUP Grant	(6,464)
(1,573)	Others	(1,109)
(19,624)	Total	(25,288)

2023/24 £000		2024/25 £000
	Credited to services: OPCC	
(2,469)	MOJ	(2,384)
(408)	Safer Streets	(349)
(2,623)	VRN – Violence Reduction Network	(1,047)
(13)	Other	(1,716)
(5,513)	Total	(5,496)

The OPCC/Group has received a number of grants and contributions related to capital expenditure that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the source of the funds if not met. These amounts are held within the capital grants receipts in advance account and are as follows:

2023/24 £000	Capital grants receipts in advance	2024/25 £000
(873)	S106 Developer Contributions	(521)
(873)	Total	(521)

12. Intangible Assets (Group & OPCC)

2023/24 £000	Software Licenses	2024/25 £000
	Balance at start of year	
4,802	Gross carrying amounts	5,187
(2,498)	Accumulated amortisation	(3,147)
2,304	Net carrying amount at start of year	2,040
428	Additions	449
(43)	Disposals	(1,285)
-	Transfers	-
(676)	Amortisation for the period	(566)
27	Amortisation on disposals	1,080
2,040	Net carrying amount at end of year	1,718
	Comprising:	
5,187	Gross carrying amounts	4,351
(3,147)	Accumulated amortisation	(2,633)
2,040		1,718

The Group accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licences and internally generated software.

All software is given a finite useful life, based on assessments of the period in which the software is expected to be of use to the Group (1-10 years).

The carrying amount of intangible assets is amortised on a straight-line basis over the asset life.

13. Property, plant and equipment (Group & OPCC)

Bruton Knowles, Chartered Surveyors have continued to be engaged on behalf of the OPCC/Group to provide valuation services. A full revaluation of the PCC's estate was undertaken in 2023/24 in accordance with the 'code' requirement to undertake a valuation at least every 5 years.

The valuation has been updated for the properties which are valued on the basis of 'depreciated replacement cost' (DRC) and 3 of the properties valued using 'open market value'. All of the properties were inspected and valued as at the 31st December 2024. The valuer subsequently confirmed that there have been no material changes in the property values between the 31st December 2024 and the 31st March 2025. The impact of the revaluations is reflected in the figures below. The valuations of the land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

	Land and buildings	Right of Use Assets	Vehicles	Equipment	Assets under construction	Total PPE
2024/25	£000	£000	£000	£000	£000	£000
Cost or valuation b/f	85,929	540	12,177	19,468	1,254	119,368
Recognition of Right of Use Assets	-	2,122	-	-	-	2,122
Cost or valuation inc. IFRS16 adjustment	85,929	2,662	12,177	19,468	1,254	121,490
At 1 April 2024						
Additions	396	25	1,241	1,700	2,421	5,783
Revaluations / impairments recognised in the Revaluation Reserve	(1,023)	766	-	-	-	(257)
Revaluations / impairments recognised in the surplus/deficit on the provision of services	(946)	(326)	-	-	-	(1,272)
Disposals	-	-	(1,760)	(197)	-	(1,957)
Transfers	1,669	81	702	15	(2,467)	-
At 31 March 2025	86,025	3,208	12,360	20,986	1,208	123,787
Accumulated depreciation and impairment	-		(7,258)	(10,774)	-	(18,032)
At 1 April 2024						
Depreciation charge	(1,873)	(443)	(1,610)	(3,707)	-	(7,633)
Impairment Losses	-	-	-	-	-	-
Disposals	-	-	1,436	155	-	1,591
Adjustment due to revaluations – Depreciation written out to the Revaluation Reserve	1,272	40	-	-	-	1,312
Adjustment due to revaluations – Depreciation written out to the Comprehensive Income and Expenditure	289	220	-	-	-	509
At 31 March 2025	(312)	(183)	(7,432)	(14,326)	-	(22,253)
Net book value						
at 31 March 2025	85,713	3,025	4,928	6,660	1,208	101,534
at 31 March 2024	85,929	540	4,919	8,694	1,254	101,336

Notes to the core financial statements

	Land and buildings	Vehicles	Equipment	Assets under construction	Total PPE
2023/24	£000	£000	£000	£000	£000
Cost or valuation	68,826	10,669	15,457	1,462	96,414
At 1 April 2023					-
Additions	435	570	6,199	1,459	8,663
Revaluations / impairments recognised in the Revaluation Reserve	11,514	-	-	-	11,514
Revaluations / impairments recognised in the surplus/deficit on the provision of services	5,694	-	-	-	5,694
Disposals	-	(694)	(2,223)	-	(2,917)
Transfers	-	1,632	35	(1,667)	-
At 31 March 2024	86,469	12,177	19,468	1,254	119,368
Accumulated depreciation and impairment	(463)	(6,450)	(9,116)	-	(16,029)
At 1 April 2023					-
Depreciation charge	(1,410)	(1,405)	(3,664)	-	(6,479)
Impairment Losses	-	-	-	-	-
Disposals	-	597	2,006	-	2,603
Adjustment due to revaluations – Depreciation written out to the Revaluation Reserve	1,120	-	-	-	1,120
Adjustment due to revaluations – Depreciation written out to the Comprehensive Income and Expenditure	753	-	-	-	753
At 31 March 2024	-	(7,258)	(10,774)	-	(18,032)
Net book value					
at 31 March 2024	86,469	4,919	8,694	1,254	101,336
at 31 March 2023	68,363	4,219	6,341	1,462	80,385

Transfers

This heading represents both the transfer of *assets under construction* into the relevant asset heading when they come into use or the transfer of property assets to *assets held for sale* on the balance sheet. Both types of transfer occur regularly as the organisational capital programme delivers outputs and as the estate continues to be rationalised.

Depreciation

The following useful lives have been used in the calculation of depreciation:

- Buildings – 40 years
- Aerial Masts – 20 years
- Freehold Land – not depreciated
- Vehicles – 5 years
- Equipment – 3 – 25 years
- Assets under construction – not depreciated
- Right of Use Assets – over the remaining period of the lease

Capital commitments

As at 31st March 2025, the OPCC had entered into a number of contracts for the construction or enhancement of property, plant and equipment to be completed in 2025/26 and future years. The amounts are £887k and significant spends are:

- IT – a total of £334k – Significant spends on Personal Computer Estate of £186k and ICCS Replacement of £79k.
- Fleet – a total of £381k Vehicles Ordered.
- Other Corporate Projects – a total of £109k on the CMD Refurbishments.

Revaluations

The figures shown in the tables above include both upward and downward revaluations of tangible non-current assets. These movements are captured in either the revaluation reserve (balance sheet) or the *other comprehensive income and expenditure* section of the comprehensive income and expenditure statement. Refer to accounting policy A15 (note 43) for further information.

Assets under Construction

As at 31st March 2025 we had 11 vehicles classed as Assets Under Construction as these had not been commissioned for operational purposes, 4 Buildings where work had not been fully completed and 1 computer system under development.

14. Capital expenditure and capital financing (Group & OPCC)

In accordance with the Code, capital expenditure is financed on an accruals basis.

2023/24 £000		2024/25 £000
33,652	Opening capital financing requirement	37,327
	<i>Capital investment</i>	
7,761	Operational assets	3,860
1,459	Non-operational assets	2,421
	<i>Sources of finance</i>	
(110)	Capital receipts	-
(770)	Government grants & other contributions	(655)
-	Use of Government Grant Reserve	15
(1,128)	Revenue contribution	(4,499)
(3,537)	Revenue provision (incl. MRP)	(5,363)
37,327	Closing capital financing requirement	33,106
	Explanations of movements in year	
-	Increase/ (decrease) in underlying need to borrow (supported by government financial assistance)	-
3,675	Increase/ (decrease) in underlying need to borrow (unsupported by government financial assistance)	(4,221)
3,675	Increase/(decrease) in capital financing requirement	(4,221)

The figure shown above for capital expenditure during 2023/24 differs from the amounts shown as additions on (a) the intangible and (b) property, plant and equipment notes (notes 12 and 13 respectively). The figure can be reconciled as follows:

2023/24 £000		2024/25 £000
9,220	Capital expenditure for the year (as above)	6,281
(129)	Less: Revenue expenditure financed from capital resources under statute (REFCUS) in the year	(49)
9,091		6,232

There have been no capital receipts received in the year.

15. Assets held for sale (Group & OPCC)

No properties were sold in year or classified as an asset held for sale as at 31st March 2025.

16. Debtors (Group & OPCC)

31st March 2024			31st March 2025	
OPCC £000	Group £000		OPCC £000	Group £000
		Short-term debtors		
17,540	17,585	Central Government Bodies	14,514	14,574
8,687	8,711	Other Local Authorities	10,860	10,883
5,103	5,197	Other Entities and Individuals	6,230	6,345
31,330	31,493		31,604	31,802

Central government bodies (above) includes the Home Office pension fund top up grant of £4,247k (£5,603k in 2024/25).

Included within the Local authorities figures above are debtors in respect of the OPCC/Group's share of council tax collection fund debtors of £6,320k (£5,569k in 2024/25).

Debtors of £3.7m relate to where the Force is acting as an agent.

17. Cash & cash equivalents (Group & OPCC)

This heading on the Balance Sheet is made up of the following elements:

31st March 2024 £000		31st March 2025 £000
666	Bank accounts & petty cash	1,019
13,572	Cash investments (less than three months maturity)	23,569
(3,021)	Adjustment for cash & cash equivalents held on behalf of joint arrangements	(4,188)
11,217	Total cash & cash equivalents	20,400

The cash investments figure above is those deposits made by the OPCC/Group which mature within three months and are outstanding at the balance sheet date.

18. Inventories (Group & OPCC)

31st March 2024 £000		31st March 2025 £000
847	Police uniforms	997
102	Vehicle parts and fuel	103
19	Catering supplies	19
968		1,119

19. Creditors (Group & OPCC)

31st March 2024			31st March 2025	
OPCC £000	Group £000		OPCC £000	Group £000
		Short-term creditors		
(419)	(4,939)	Central Government Bodies	(207)	(4,833)
(16,733)	(16,733)	Other Local Authorities	(11,828)	(11,828)
(42)	(42)	NHS Bodies	(7)	(7)
(7,342)	(12,539)	Other Entities and Individuals	(8,245)	(13,517)
(24,536)	(34,253)		(20,287)	(30,185)

Included within the local authorities figure above are creditors in respect of a number of Home Office grants totalling £2,490k (£7,380k). The force is acting as an agent for these grants with the funds being due to relevant police forces in 2024/25.

Included within the local authorities figures above are creditors in respect of the OPCC/Group's share of council tax collection fund creditors of £6,331k (£5,571k in 2023/24)

Included within the other entities and individuals figure above are creditors in respect of employee accumulated absences £5,311k (£5,226k in 2023/24). Further details are found in Note 32 (Accumulated Absences Account).

20. Borrowing (Group & OPCC)

20.1 Long term Borrowing

Long term borrowing is with the Public Works Loan Board (PWLB)

31st March 2024 £000	Maturity	31st March 2025 £000
(1,175)	not more than 2 years	(4,390)
(10,352)	more than 2 years - not more than 5 years	(7,504)
(3,042)	more than 5 years - not more than 10 years	(1,500)
-	more than 10 years - not more than 15 years	-
-	More than 15 years	-
(14,569)		(13,394)

The maximum amount repayable in any one year is **£3.46m**.

20.2 Short term Borrowing

31st March 2024 £000		31st March 2025 £000
(4,000)	Short Term Loan - less than 1 year maturity	(10,000)
-	Debt Repayable on PWLB < 1 year	(1,175)
(3)	Interest Accrual on Short-term Loan < 1 year	(101)
(93)	Interest Accrual on PWLB < 1 year	(93)
(4,096)		(11,369)

21. Financial instruments (Group & OPCC)

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

31st March 2024		Group / OPCC	31st March 2025	
Carrying amount	Fair value		Carrying amount	Fair value
£000	£000		£000	£000
10	10	Financial Assets	10	10
11,216	11,216	Short-term Investments	20,457	20,457
20,691	20,691	Cash & Cash Equivalents	18,601	18,601
31,917	31,917	Debtors (contractual only)	39,068	39,068
		Financial Liabilities		
(14,569)	(14,488)	PWLB - long term borrowing	(13,394)	(13,251)
-	-	Short term lease liabilities	(90)	(90)
(4,096)	(4,096)	Short term Borrowing	(11,369)	(11,369)
-	-	Long term lease liabilities	(1,687)	(1,687)
(19,084)	(19,084)	Creditors (contractual only)	(13,868)	(13,868)
(37,749)	(37,668)		(40,408)	(40,265)

Financial Assets

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

Financial Liabilities

The fair value of PWLB has been calculated by reference to the new borrowing (certainty rate) set of rates as at the 31 March 2025. The fair value of PWLB is less than the carrying amount because the OPCC's portfolio of loans is based on fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at the 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

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

22. Provisions (Group & OPCC)

	Balance at 1 April 2024 £000	additional provisions made £000	amounts used £000	unused amounts reversed £000	Balance at 31 March 2025 £000
Civil claims	(1,062)	(1,245)	312	178	(1,817)
Total	(1,062)	(1,245)	312	178	(1,817)

The civil claims provision reflects the self-insured part of public and employer's liability claims where the OPCC/Group's claims handlers have advised there is a high probability of economic benefits being transferred in the future. In addition to this specific provision, the OPCC/Group holds a civil claims reserve which holds discretionary amounts intended to smooth the impact of any claims that emerge which were not foreseen or considered likely.

23. Usable reserves (Group & OPCC)

The following reserves constitute *usable reserves* as shown on the OPCC/Group's balance sheet. The balances on these reserves at the balance sheet date are set out below. Please refer to the relevant note as referenced below for a detailed analysis of any movements in these reserves.

31st March 2024 £000		Note	31st March 2025 £000
(25,976)	Earmarked reserves	25	(28,487)
(420)	Capital grants and contributions unapplied	28	(435)
(5,000)	General fund		(5,860)
(31,396)	Total usable reserves		(34,782)

24. Unusable reserves (Group & OPCC)

The following reserves constitute *unusable reserves* as shown on the OPCC/Group's balance sheet. The balances on these reserves at the balance sheet date are set out below. Please refer to the relevant note as referenced below for a detailed analysis of any movements in these reserves.

31st March 2024	31st March 2024		Note	31st March 2025	31 st March 2025
OPCC £000	Group £000			OPCC £000	Group £000
(44,813)	(44,813)	Capital adjustment account	30	(46,083)	(46,083)
(21,860)	(21,860)	Revaluation reserve	29	(22,667)	(22,667)
2	2	Collection fund adjustment account	31	11	11
-	1,730,712	Pension reserve	26	422	1,515,146
34	5,226	Accumulated absences account	32	45	5,310
(66,637)	1,669,267	Total unusable reserves		(68,272)	1,451,717

The Group's unusable reserves are in deficit due in the main to the pension reserve. The pension reserve reflects the deficit on the Group's defined benefit pension schemes and in particular the police schemes which are not funded by assets but are instead supported by central funding from the Home Office.

25. Transfers to/(from) earmarked reserves (Group & OPCC)

These reserves are earmarked for the specific purposes noted below:

Reserve name	Balance at 1 April 2023 £000	transfers out 2023/24 £000	transfers in 2023/24 £000	Balance at 31 March 2024 £000	transfers out 2024/25 £000	Transfers in 2024/25 £000	Balance at 31 March 2025 £000
Capital expenditure	(302)	-	-	(302)	-	-	(302)
Budget equalisation	(13,812)	411	(750)	(14,152)	2,435	(50)	(11,767)
Proceeds of Crime Act	(1,429)	78	(389)	(1,740)		(338)	(2,078)
Carry-forwards (specific)	(2,819)	2,819	(2,476)	(2,476)	2,476	(5,996)	(5,996)
Civil claims	(1,316)	-	-	(1,316)		(250)	(1,566)
Adult & Child Referral Centres	(222)	7	-	(215)	106	(59)	(168)
Fleet insurance	(822)	-	(166)	(988)		(125)	(1,113)
Equipment Replacement	(1,820)	988	(65)	(897)			(897)
DBS	(85)	-	(9)	(94)		(7)	(101)
Commissioning	(1,198)	769	(670)	(1,099)	178	(633)	(1,554)
OPCC	(408)	92	(87)	(403)	23	(207)	(587)
OPCC - Legacy	(408)	144	-	(264)	30		(234)
Other	(47)	31	-	(16)		(4)	(20)
Community Partnership Fund	(463)	236	-	(227)	128		(99)
Subtotal : OPCC/Group (direct control)	(25,151)	5,574	(4,612)	(24,189)	5,376	(7,669)	(26,482)
Jointly Controlled Operations	(953)	175	(51)	(829)	86	(234)	(977)
Subtotal : OPCC/Group (incl. jointly controlled reserves)	(26,104)	5,749	(4,663)	(25,018)	5,462	(7,903)	(27,459)
Funds held on behalf of partners							
Regional collaboration	(368)	-	-	(368)	-	-	(368)
RSU Reserve	(617)	140	(113)	(590)	83	(153)	(660)
Grand total : OPCC/Group (incl. reserves held on behalf of partners)	(27,089)	5,889	(4,776)	(25,976)	5,545	(8,056)	(28,487)
movement in the year		1,113			(2,511)		

Capital expenditure

This represents funds set aside from revenue to fund future capital expenditure.

Budget equalisation

This represents revenue funds set aside to part fund the future revenue budget requirements of the OPCC/Group. The reserve is also used prudently to support the ongoing change programme and investments in the future structure of the OPCC/Group.

Proceeds of Crime Act

These are the funds awarded to the OPCC/Group by the courts under the Proceeds of Crime Act. These funds are used to further the force's capability in financial and other investigative areas.

Carry-forwards (specific)

This reserve includes those sums that the OPCC/Group has approved to carry forward to finance specific expenditure in 2025/26 and beyond.

Civil claims

This reserve holds revenue funds that have been set aside where considered prudent by the OPCC/Group against Civil Claims (Public & Employer Liability) that independent advice suggests is unlikely to result in the The OPCC for Leicestershire

Notes to the core financial statements

transfer of economic benefits (i.e. to meet the criteria of a “provision”). The OPCC/Group sets aside these funds to minimise any unforeseen adverse impact on its Comprehensive Income & Expenditure Statement.

Adult & Child Referral Centres

Funds set aside from budget underspends and partner contributions to support future projects.

Fleet insurance

The excess on the vehicle insurance policy is £250k, the reserve is to meet the cost of claims that fall below the excess.

DBS (Disclosure Barring Service previously Criminal Records Bureau)

Surplus funds received from the DBS to be used for the purchase of fixtures, fittings and equipment in support of the OPCC/Group's work on behalf of the DBS.

Commissioning

This represents resources set aside to support the Police and Crime Commissioner's activities in support of the Police and Crime Plan and partnership working.

Office of the Police and Crime Commissioner

Funds set aside to support the work of the Police and Crime Commissioner.

Community Partnership Fund

Funds receive, not yet spent, to support community initiatives.

Joint & Controlled Reserves

This represents the OPCC/Group's share of reserves held by the following:

- EMSOU (East Midlands Special Operations Unit including the Tactical Support Unit)
- EMSOU MC (East Midlands Special Operations Unit Major Crime)
- Regional Learning & Development
- Regional Occupational Health Service
- HR Shared Service Centre
- Regional Forensic Shared Services
- Emergency Services Network (ESN)

Held on Behalf of Partners

Regional collaboration

This represents funds set aside to support the establishment of regional collaborative projects.

Road Safety Unit

The Road Safety Unit (RSU), which incorporates the Safety Camera Scheme (SCS), is wholly funded by the Leicester, Leicestershire and Rutland Road Safety Partnership (LLRRSP). The funds represent the operational balance accrued.

26. Pensions reserve (Group & OPCC)

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 OPCC/Group accounts for post employment benefits in the Comprehensive Income & 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 OPCC/Group makes employer's contributions to the pension funds.

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 OPCC/Group has set aside to meet them. The pension contributions payable by both employer and employee are adjusted regularly via actuarial valuations – the aim being to reduce the shortfall over the longer term.

2023/24 OPCC £000	2023/24 Group £000	Group	Note	2024/25 OPCC £000	2024/25 Group £000
-	1,744,122	Balance at 1 st April		471	1,730,712
-	(112,544)	Total remeasurements on pensions assets and liabilities (gains/losses)	27	(1,373)	(314,669)
-	53,142	Asset Ceiling Adjustment	27	1,427	63,613
-	89,838	Reversal of items relating to retirement benefits debited or credited to the <i>surplus/deficit on the provision of services</i> in the Comprehensive Income & Expenditure Statement		243	85,385
-	(43,846)	Employer's pensions contributions and direct payments to pensioners payable in the year	27	(346)	(49,895)
-	1,730,712	Balance at 31 st March		422	1,515,146

Note 27 – Defined benefit pension schemes provides further analysis of the figures shown above together with an explanation for their existence.

27. Defined benefit pension schemes (Group)

This note reports the main pension funds of the Group. For 2023/24, all of the transactions relating to the LGPS were shown under the Chief Constable (CC) as 97.76% of the employees in the LGPS work for the Chief Constable. From 2024/25 the transactions relating to the LGPS have been split between the OPCC and Chief Constable.

Participation in pension schemes

As part of the terms and conditions of employment of its officers and other employees, the OPCC/Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the OPCC/Group has a commitment to account for the benefits at the time that employees earn their future entitlement.

The OPCC/Group participates in the following pension schemes:

The Local Government Pension Scheme (LGPS) for police staff is administered by Leicestershire County Council – this is a funded defined benefit scheme, meaning that the OPCC/Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The Actuary to the fund is Hymans Robertson LLP.

Following changes introduced in the Public Pension Services Act 2013, from the 1st April 2014 scheme members now accrue pension entitlements based on their career-average rather than their final salary.

The Police Pension Scheme for police officers is an unfunded single employer defined benefit scheme. This means that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they fall due.

Three schemes were in operation during 2024/25 as well as injury awards:

- the *1987 scheme* (Final Salary) which is based on a maximum pensionable service of 30 years (closed to new entrants on 31st March 2006)
- the *2006 scheme* (Final Salary) which is based on a maximum pensionable service of 35 years (closed to new entrants on the 31st March 2015)
- the *2015 (CARE) scheme* which was available to new entrants from the 1st April 2015 and is a Career Average Revalued Earnings (CARE) scheme there is no maximum period of service.

Transactions relating to post-employment benefits

The OPCC/Group recognises the cost of retirement benefits in the cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the OPCC/Group is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Statement of Movement in Reserves. The transactions within the Comprehensive Income & Expenditure Statement and Statement of Movement in Reserves the Group are as follows:

Notes to the core financial statements

	Local Government Pension Scheme			Police Pension Schemes		Comprehensive Income & Expenditure Account	
	2023/24 Group	2024/25 OPCC	2024/25 Group	2023/24 Group	2024/25 Group	2023/24 Group	2024/25 Group
	£000	£000	£000	£000	£000	£000	£000
Cost of services:							
Current service cost	11,426	239	10,656	25,748	24,343	37,174	34,999
Past service cost	17	6	250			17	250
(Gain) / loss from settlements	-	-	-	-	-	-	-
	11,443	245	10,906	25,748	24,343	37,191	35,249
Other Operating Expenditure:							
Home Office grant	-	-	-	(29,590)	(31,304)	(29,590)	(31,304)
Home Office grant - McCloud					(631)		(631)
Financing & investment income/expenditure:							
Net Interest cost	(67)	(2)	(83)	82,304	82,154	82,237	82,071
Net charge to surplus / deficit on provision of services	11,376	243	10,823	78,462	74,562	89,838	85,385
Other comprehensive income & expenditure:							
Return on Plan Assets (excluding the amount included in the net interest expense)	(15,731)	(43)	(1,914)	-	-	(15,731)	(1,914)
Actuarial (gains)/losses on changes in demographic assumptions	(1,720)	(11)	(515)	(34,712)	(2,837)	(36,432)	(3,352)
Effect of Ceiling Adjustment	53,142	1,427	63,613	-	-	53,142	63,613
Actuarial gains and losses arising on changes in financial assumptions	(20,828)	(1,259)	(56,127)	(59,201)	(250,187)	(80,029)	(306,314)
Other (if applicable)	9,070	(60)	(2,674)	10,578	(415)	19,648	(3,089)
Net charge to total comprehensive income & expenditure	35,309	297	13,206	(4,873)	(178,877)	30,436	(165,671)
Statement of Movement in Reserves:							
Reversal of items not permitted to be charged to the general fund by statute	(9,070)	60	2,674	(10,578)	415	(19,648)	3,089
Employer Contributions	14,294	346	15,403	29,552	34,492	43,846	49,895
Net charge to general fund	40,533	703	31,283	14,101	(143,970)	54,634	(112,687)
Retirement benefits payable to pensioners							
Analysed as:							
Employers' contributions payable to schemes based on contribution rate	14,294	346	15,403	26,620	31,095	40,914	46,498
Employers' contributions payable to schemes – Cash Top-Up							
Direct payments - Injury awards payable	-	-	-	2,932	3,397	2,932	3,397
Total	14,294	346	15,403	29,552	34,492	43,846	49,895

Notes to the core financial statements

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	Local Government Pension Scheme			Police Pension Schemes		Balance Sheet	
	2023/24 Group	2024/25 OPCC	2024/25 Group	2023/24 Group	2024/25 Group	2023/24 Group	2024/25 Group
	£000	£000	£000	£000	£000	£000	£000
Present value of the defined benefit obligation	(294,265)	(5,761)	(256,785)	(1,709,697)	(1,496,328)	(2,003,962)	(1,753,113)
Fair value of plan assets	355,891	8,688	387,232	-	-	355,891	387,232
Asset Ceiling Adjustment	(82,641)	(3,349)	(149,265)	-	-	(82,641)	(149,265)
Sub total	(21,015)	(422)	(18,818)	(1,709,697)	(1,496,328)	(1,730,712)	(1,515,146)
Other movements in the liability (asset) (if applicable)	-	-	-	-	-	-	-
Net liability arising from defined benefit obligation	(21,015)	(422)	(18,818)	(1,709,697)	(1,496,328)	(1,730,712)	(1,515,146)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

	Local Government Pension Scheme			Police Pension Schemes	
	2023/24 Group	2024/25 OPCC	2024/25 Group	2023/24 Group	2024/25 Group
	£000	£000	£000	£000	£000
Opening fair value of scheme assets	314,553	7,984	355,891	-	-
Interest Income	15,186	393	17,533	-	-
Remeasurement gain/(loss)					
The return on plan assets; excluding the amount included in the net interest expense	15,731	43	1,914	-	-
Other (if applicable)	-	-	-	-	-
The effect of changes in foreign exchange rates	-	-	-	-	-
Contributions from employer	14,255	346	15,403	29,552	34,492
Employer Contributions (Top Up Grant)	-	-	-	29,590	31,304
Additional Grant - McCloud	-	-	-	-	631
Contributions from employees into the scheme	3,699	89	3,953	11,495	11,506
Benefits paid	(7,572)	(167)	(7,462)	(70,637)	(77,933)
Other (if applicable)	39	-	-	-	-
Closing fair value of scheme assets	355,891	8,688	387,232	-	-

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

		Local Government Pension Scheme		Police Pension Schemes	
	2023/24 Group	2024/25 OPCC	2024/25 Group	2023/24 Group	2024/25 Group
	£000	£000	£000	£000	£000
Opening balance at 1 April	(286,392)	(6,602)	(294,265)	(1,744,122)	(1,709,697)
Current Service Cost	(11,426)	(239)	(10,656)	(25,748)	(24,343)
Interest Cost	(13,781)	(324)	(14,439)	(82,304)	(82,154)
Contributions from scheme participants	(3,699)	(88)	(3,953)	(11,495)	(11,506)
Remeasurement (gains) and losses					
Actuarial gains/losses arising from changes in demographic assumptions	1,720	12	515	34,712	2,837
Actuarial gains/losses arising from changes in financial assumptions	20,828	1,259	56,127	59,201	250,187
Other (if applicable)	(9,070)	60	2,674	(10,578)	415
Past service cost (including curtailments)	(17)	(6)	(250)	-	-
Losses/(gains) on curtailment (where relevant)	-	-	-	-	-
Liabilities assumed on entity combinations	-	-	-	-	-
Benefits paid	7,572	167	7,462	70,637	77,933
Liabilities extinguished on settlements (where relevant)	-	-	-	-	-
Closing balance at 31 March	(294,265)	(5,761)	(256,785)	(1,709,697)	(1,496,328)

The liabilities show the underlying commitments that the Group has in the long run to pay for retirement benefits. The total net liability of £1,515m has a substantial impact on the net worth of the Group as recorded in the balance sheet, resulting in a negative overall balance of £1,417m. However, the statutory arrangements for funding the deficit mean that the financial position of the OCC remains stable.

In 2024/25, the local government pension scheme has a net asset in respect of the funded obligations due to changes in the financial assumptions and an excess return on assets over and above the expected accounting return. The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in the assumption leading to a gain on the balance sheet of £56.1m. The total investment return achieved by the Fund over the accounting period was 5.4% compared to the expected return of 4.85% resulting in a gain on the balance sheet of £1.9m. In accordance with proper accounting practice, an asset ceiling calculation and IFRIC 14 assessment has been undertaken which shows that the net asset cannot be realised and results in a net liability of £18.8m.

Any future deficits will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary. With effect from 1st April 2024 the employer's contribution rate was 24.9%, no change from the previous year and is due to remain the same for 2025/26.

The LGPS fund was valued during 2022/23 for the purposes of setting the employer's contribution rates for the next 3 years commencing in April 2023. The next valuation will be as at the 31st March 2025 and will take place during 2025/26.

The rate (%) at which employer contributions are made to the police pension fund is set by the Home Office. The results of the 2020 Police Pension actuarial valuation resulted in an increase in the employers' contribution rate from 31% to 35.3% from April 2024. The Home Office increased the specific grant received from £1.9m to £6.6m to assist the Force in funding the increased employer's contributions in 2024/25.

The Pension Liabilities have been valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value as required by IAS 19. Both valuations take account of the implementation of the Public Service Pensions and Judicial Offices Act 2022. This legislates for how schemes will remove the age discrimination identified by the courts in the way that the 2015 reforms were introduced for some members. The police schemes and the Local Government Pension Scheme liabilities have been valued by Mercer and Hymans Robertson respectively. Both are independent firms of actuaries.

Notes to the core financial statements

Basis for Estimating Assets and Liabilities

	Local Gov't Scheme		Police Schemes	
	2023/24	2024/25	2023/24	2024/25
	Years	Years	Years	Years
Mortality assumptions:				
Longevity at 65 (60 for police schemes) for current pensioners:				
- Men	21.1	21	26.1	26.1
- Women	24	24	28.5	28.6
Longevity at 65 (60 for police schemes) for future pensioners:				
- Men	21.9	21.8	28	28
- Women	25.6	25.5	30.3	30.3

Impact on the Defined Benefit Obligation in the Scheme (provided by the Actuary)

	Local Gov't Scheme		Police Schemes	
	2023/24	2024/25	2023/24	2024/25
<ul style="list-style-type: none"> rate of inflation (increase or decrease by 1%) rate of increase in salaries (increase or decrease by 1%) rate of increase in pensions (increase or decrease by 1%) rate for discounting scheme liabilities (increase or decrease by 1%) 	3.25%	3.25%	2.60%	2.60%
	3.25%	3.25%	4.10%	4.10%
	2.75%	2.75%	2.70%	2.70%
	4.85%	5.80%	4.90%	5.90%

Notes to the core financial statements

Assets in the pension fund administered by the county council are valued at fair value, principally market value for investments, and consist of:

Local Government Pension Scheme assets comprised

2023/24 Group	Fair Value of Scheme Assets	2024/25 Group
£000		£000
28,409	Cash and cash equivalents	37,984
	<i>Equity instruments: by industry type</i>	
109	Consumer	359
-	Manufacturing	339
228	Energy and utilities	347
256	Financial institutions	407
351	Health and care	510
-	Information technology	9
212	Other	551
1,155	Sub total equity	2,522
	<i>Bonds: by sector</i>	
15,680	UK Government	14,208
1,434	Other	1,991
17,114	Sub total bonds	16,199
	<i>Property: by type</i>	
23,078	UK Property	26,504
	Overseas Property	-
23,078	Sub total property	26,504
	<i>Private equity</i>	
21,773	All	22,466
21,773	Sub total private equity	22,466
	<i>Other investment funds:</i>	
151,986	Equities	164,738
-	Bonds	-
2	Hedge Funds	1
8,240	Commodities	7,791
30,557	Infrastructure	35,725
73,556	Other	75,235
264,341	Sub total other investment funds	283,490
	<i>Derivatives</i>	
21	Forward foreign exchange contracts	(1,993)
355,891	Total assets	387,232

28. Capital grants & contributions unapplied (Group & OPCC)

This account holds those capital grants and contributions that have been credited to the Comprehensive Income & Expenditure Statement, are 'restricted' but not 'conditional' (i.e. must be used for a specific purpose but do not have a repayment condition) but have yet to be applied to capital financing. Capital grants & contributions that are 'conditional' are instead held within the Capital Grants Receipts in Advance line on the face of the balance sheet.

2023/24 £000		2024/25 £000
49	Amounts receivable in the year	44
(49)	Amounts applied to finance new capital investment in the year	(29)
-	Total increase / (decrease) in the year	15
420	Balance brought forward at 1 st April	420
420	Balance carried forward at 31st March	435

29. Revaluation reserve (Group & OPCC)

The revaluation reserve contains the residual gains (since 1st April 2007) realised when non-current assets are revalued. The reserve is credited with a revaluation gain or debited with a revaluation loss (in so far as it can be contained by previous gains) on an asset by asset basis. When the revaluation reserve balance for a specific asset is exhausted due to losses, any future losses are instead transferred to the Comprehensive Income & Expenditure Statement (for both the OPCC and the Group).

Adjustments are made to credit the capital adjustment account with depreciation amounts attributable to residual revaluation gains. Residual gains are transferred to the capital adjustment account when an asset is disposed of.

2023/24 £000		2024/25 £000
	Movements in unrealised value of non-current assets	
(12,733)	Gains on upward revaluation of non-current assets	(1,103)
99	Downward revaluation of non-current assets and impairment losses not charged to the surplus/deficit on the provision of services	48
(142)	Transfer to capital adjustment account in respect of non-current asset depreciation (on a revaluation gain)	248
-	Transfer to capital adjustment account in respect of residual gains held at the point of disposal of a non-current asset	-
(12,776)	Total movement on reserve in the year	(807)
(9,084)	Opening balance at 1st April	(21,860)
(21,860)	Closing balance at 31st March	(22,667)

30. Capital adjustment account (Group & OPCC)

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairments losses and amortisations are charged to the Comprehensive Income & Expenditure Statement (with reconciling postings from the revaluation reserve related to residual gains). The account is credited with the amounts set aside by the OPCC/Group as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment property. It also contains revaluation gains accumulated on property, plant & equipment before 1st April 2007, the date that the revaluation reserve was created to hold such gains.

2023/24	(See note 1 for further details)	2024/25
£000		£000
7,155	Charges for depreciation and amortisation of non-current assets	8,199
142	Amounts transferred from revaluation reserve in respect of depreciation/amortisation	(248)
(6,447)	Transfer from Comprehensive Income & Expenditure Statement in respect of non-current asset revaluations	763
-	Revaluation on non-current assets held for sale	-
129	Revenue Expenditure funded from Capital under Statute (REFCUS)	49
-	Transfer from revaluation reserve in respect of residual gains held at the point of disposal of a non-current asset	-
330	Transfer from Comprehensive Income & Expenditure Statement in respect of carrying value of non-current asset disposals	570
1,309	Net amount written-out of the cost of non-current assets consumed in the year	9,333
(1,128)	Capital expenditure charged against the general fund	(4,499)
(110)	Use of the capital receipts reserve to finance new capital expenditure	-
(770)	Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(655)
-	Application of grants to capital financing from the capital grants unapplied account	-
(1,085)	Revenue provision (including MRP)	(1,470)
(2,452)	Voluntary revenue provision for capital financing	(3,893)
(391)	Movements in the market value of investment properties charged to the Comprehensive Income & Expenditure Statement	(64)
(5,936)	Capital financing applied in year	(10,581)
-	Movement in the peppercorn assets credited to the Comprehensive Income & Expenditure Statement	(22)
(4,627)	Total movement during the year	(1,270)
(40,190)	Opening balance at 1st April	(44,813)
4	Adjustment to Opening Balance	-
(44,813)	Closing balance at 31st March	(46,083)

31. Collection fund adjustment account (Group & OPCC)

The collection fund adjustment account represents the OPCC/Group's share of the collection fund surplus/deficit held by each council tax billing authority within Leicestershire & Rutland. For 2023/24 and 2024/25, the breakdown of the figure on the OPCC/Group's balance sheet can be analysed as follows:

The OPCC/Group's collection fund adjustment account has a debit balance (deficit) of **£11k** at 31st March 2025 (2023/24- debit balance of **£2k**).

2023/24 £000		2024/25 £000
(441)	Balance at 1st April	2
443	Amount by which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	9
2	Balance at 31st March	11

32. Accumulated absences account (Group & OPCC)

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 31st March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from the account.

During 2024/25 Police Officer Annual Leave (AL) increased from £975k to £2,056k. Rest days in lieu (RDIL) decreased from £1,424k to £150k and Time off in lieu decreased from £876k to £788k. Police Staff Annual leave increased from £919k to £1,160k and Time off in lieu increased from £445k to £524k. Officer RDIL decreased due to a new policy introduced at the end of 2023 calendar year, called Management of Time for Federated Ranks. This has meant that the organisation is much stricter on RDIL. All RDIL for Inspectors has been deleted. PCs and Sgts cannot be forced to take RDIL, but resource planning have worked hard to re-allocate these. There are still a number of legacy RDILs and maternities. Officer AL increased due to sickness, maternities and the number of restricted officers increasing by about 25%, this means that AL cannot be taken. Changes to minimal cover levels has also meant that AL has not been taken. There are plans to ensure that these are all taken within the next few months of 2025-26. This ties in with the Police Regulations and Determinations – 2003.

The balance shown above is a negative figure due to it being a deficit reserve on the OPCC/Group's balance sheet.

2023/24 OPCC £000	2023/24 Group £000		2024/25 OPCC £000	2024/25 Group £000
(25)	(6,652)	Balance at 1st April	(34)	(5,226)
25	6,652	Reversal of opening accrual made at the end of the preceding year	34	5,226
(34)	(5,226)	Amounts accrued at the end of the current year	(45)	(5,310)
(9)	(1,426)	Amounts by which remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(11)	(84)
(34)	(5,226)	Balance at 31st March	(45)	(5,310)

33. Cash flow statement – operating activities (Group & OPCC)

33.1 The Cash flows for operating activities includes the following items:

2023/24 OPCC £000	2023/24 Group £000		Note	2024/25 OPCC £000	2024/25 Group £000
(1,428)	(1,428)	Interest Received	4	(1,453)	(1,453)
652	652	Interest Paid	4	865	865
(776)	(776)			(588)	(588)

33.2 Adjustments to net (surplus) or deficit on the provision of services for non-cash movements.

2023/24 OPCC £000	2023/24 Group £000		Note	2024/25 OPCC £000	2024/25 Group £000
(6,479)	(6,479)	Depreciation	13	(7,633)	(7,633)
-	-	Impairment and downward valuations		-	-
(676)	(676)	Amortisation	12	(566)	(566)
(1)	(1)	Increase/(decrease) in impairment bad debts		3	3
4,091	4,081	Increase/(decrease) in creditors/RIA		4,568	4,534
(2,982)	(2,972)	Increase/(decrease) in debtors/PIA		291	324
760	760	Increase/(decrease) in inventories		150	150
-	(45,992)	Movement in pension liability	2.1	103	(35,490)
(330)	(330)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised		(570)	(570)
6,825	8,260	Other non-cash items charged to the net surplus or deficit on the provision of services		(1,494)	(1,566)
1,208	(43,349)			(5,148)	(40,814)

33.3 Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities.

2023/24 OPCC £000	2023/24 Group £000		2024/25 OPCC £000	2024/25 Group £000
-	-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-	-
110	110	Proceeds from the sale of PP&E, investment property and intangible assets.	-	-
770	770	Any other items for which the cash effects are investing or financing flows	670	670
880	880		670	670

34. Cash flow statement – investing activities (Group & OPCC)

Investing activities as shown on the Cash Flow Statement consists of the following cash flows:

2023/24 OPCC £000	2023/24 Group £000		2024/25 OPCC £000	2024/25 Group £000
9,239	9,239	Purchase of Property, Plant and Equipment, Investment property and intangible assets	5,876	5,876
-	-	Purchase of short-term and long-term investments	-	-
-	-	Other Payments for Investing Activities	-	-
(576)	(576)	Proceeds from the sale of Property, Plant and Equipment, Investment property and intangible assets	-	-
-	-	Proceeds from short-term and long-term investments	(2)	(2)
43	43	Other receipts from investing activities	(318)	(318)
8,706	8,706	Total Investing Activities cash flows	5,556	5,556

35. Cash flow statement – financing activities (Group & OPCC)

Financing activities as shown on the Cash Flow Statement (Group & OPCC) consists of the following cash flows:

2023/24 OPCC £000	2023/24 Group £000		2024/25 OPCC £000	2024/25 Group £000
(4,003)	(4,003)	Cash receipts of short-term and long-term borrowing	1,175	1,175
-	-	Repayment of short-term and long term borrowing	(7,273)	(7,273)
-	-	Cash payments for the reduction of outstanding liability relating to Finance Leases	328	328
(4,003)	(4,003)	Total Financing Activities cash flows	(5,770)	(5,770)

36. Events after the balance sheet date (Group & OPCC)

Events after the balance sheet date have been considered for inclusion in the accounts up to the authorised for issue 26th June 2025. The Chief Finance Officer has not identified any events that are classified as either adjusting or non-adjusting happening between 31 March and the date the Statement of Accounts were authorised for issue.

37. Contingent Assets and liabilities (Group & OPCC)

The Civil Claims earmarked reserve (see Note 25 for further details) includes funds set aside by the OPCC/Group in respect of civil claims where transfer of economic benefits is deemed to be unlikely. The OPCC/Group has, however, considered it prudent to set aside funds in the discretionary reserve to cover an unforeseen change to that assessment.

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

38. Critical judgements in applying accounting policies (Group & OPCC)

In applying the accounting policies set out in Note 43 the OPCC/Group has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There is a high degree of uncertainty about the future levels of funding for the Police Service. However, it is considered that this uncertainty is not yet sufficient to provide an indication that the assets might be impaired as a result of a need to close facilities or reduce levels of service provision.

In order to apply the group accounting requirements the relationship between the PCC and Chief Constable has been assessed. The PCC remains in control of all assets and reserves however it is judged that the Chief Constable has sufficient operational control over staff and delegated budgets that this expenditure and associated income is shown on the comprehensive Income and Expenditure Statement for the Chief Constable.

The PCC / CC for Leicestershire is involved in various joint arrangements with other Forces in the East Midlands which are detailed in Note 7. These arrangements are judged to be jointly controlled operations due to the joint management and decision making structure of the agreement. Leicestershire's OPCC's share of transactions and balances are consolidated into the financial statements in accordance with the CIPFA Code of Practice.

39. Assumptions made about the future and other major sources of estimation uncertainty (Group & OPCC)

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

The items in the balance sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainty	Effect if actual results differ from assumptions
Property, plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the OPCC/Group will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful lives of assets are reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £53k for every year that useful lives had to be reduced.
Property, plant and equipment	Where there is no market-based evidence of fair value because of the specialist nature of the asset, depreciated replacement cost (DRC) is used as an estimate of fair value. 71% of the closing net book value of the OPCC's land and buildings is valued on this basis. The DRC values are reset each year using the 'instant build' approach using the latest available indices. External valuers are engaged to undertake the valuation.	The indices used in the calculation can fluctuate year on year based on local market conditions. During 2024/25 the value of the 'specialised' land and buildings decreased by £0.7m.

Notes to the core financial statements

Property, plant and equipment	29% of the closing net book value of the OPCC's building are valued based on the open market value in their existing use i.e office accommodation.	The net book value of the land and buildings using market evidence is £24.5m. the value of these would need to fall by 24% to have a material impact on the PCC balance sheet.
Pensions liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>A firm of consulting actuaries is engaged to provide the OPCC/Group with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. Sensitivities are shown below.</p> <p>However, the assumptions interact in complex ways. During 2024/25, the OPCC's actuaries advised that the net pensions liability (prior to the credit ceiling adjustment) had decreased by £282m as a result of changes to the financial and demographic assumptions..</p>

Sensitivity of pension liabilities: Local Government Pension Scheme

Change in assumptions	£000
0.1% decrease in real discount rate	5,420
1 year increase in member life expectancy	10,271
0.1% increase in salary increase rate	248
0.1% increase in the pension increase rate	5,323

Sensitivity of pension liabilities: Police Pension Schemes

Change in assumptions	£000
0.5% increase in real discount rate	1,386,355
1 year increase in member life expectancy	1,523,641
0.25% increase in inflation	1,559,303
0.25% increase in salary increase rate	1,510,685

40. Going Concern

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

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

41. Nature and extent of risks arising from financial instruments (Group & OPCC)

The OPCC/Group'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 OPCC/Group
- *Liquidity risk* – the possibility that the OPCC/Group might not have funds available to meet its commitments to make payments
- *Market risk* – the possibility that financial loss might arise for the OPCC/Group as a result of changes in such measures as interest rates and stock market movements

Credit risk

Credit risk for the OPCC/Group has two main sources. Firstly, the short-term (less than 12 months) lending of surplus cash funds to banks and other institutions and secondly the risk of customers failing to pay the OPCC/Group for goods/services provided.

The OPCC/Group follows a defined policy of only lending surplus cash resources to a limited list of banks / institutions (including Money Market funds). This list is regularly reviewed by the Chief Finance Officer of the OPCC. The banks / institutions on the OPCC/Group's lending list are carefully selected using credit ratings whilst the OPCC/Group sets a prudent maximum investment limit with each bank. All the banks are based in the United Kingdom.

The OPCC/Group does not expect any losses connected with the short-term investments placed with banks or the other institutions.

Customer credit risk has a very low overall effect on the OPCC/Group by virtue of income from customers being equal to only 4.54% of total income (2023/24 – 4.63%). The risk is managed via the OPCC/Group's credit control policy. This policy sets out the framework within which financial relationships with the OPCC/Group's customers are managed beginning with raising an invoice through to invoking legal action should it be required. The Chief Constable may authorise the write-off of unrecoverable amounts up to £10k. Amounts above £10k require the authorisation of the Chief Finance Officer for the OPCC.

To further mitigate the risk of customer credit default, the OPCC/Group assesses whether a bad debt impairment is required each year. A bad debt provision of £1k has been allowed for in 2024/25 (2023/24 – £4k).

Liquidity risk

The OPCC/Group's cash flow is managed on a daily basis to ensure that sufficient liquid cash resources are available to meet future payment obligations (for example payments to creditors and payments to and in respect of the OPCC/Group's employees).

If unexpected movements happen, the OPCC/Group has access to borrowings from both the money markets and the PWLB. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Risk may arise should the OPCC/Group have to repay a significant proportion of its borrowing in any one financial year. This risk is limited by the fact that the OPCC/Group's PWLB debt portfolio has a spread of maturity dates across a number of financial years. For the maturity profile of the OPCC/Group's PWLB debt commitment, please see Note 20.1 - Long term borrowing.

All standard creditors are due to be paid within one year – further information can be found in Note 19 - Creditors.

Market risk

Interest rate risk

The OPCC/Group is exposed to a limited degree of risk regarding interest rate fluctuations on both short-term investments and on new borrowings. Both short-term investments and new borrowings are entered into by the OPCC/Group at a fixed interest rate for the term of each. The risk therefore arises from the uncertainty of what level interest rates will be at when the OPCC/Group either makes a short-term investment or enters into a new borrowing arrangement with PWLB. A movement in interest rates could have a complex impact on the OPCC/Group. For instance, a rise in interest rates would have the following effects:

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

Borrowings are not carried at fair value in the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income & Expenditure Statement or Statement of Movement in Reserves. Movements in the fair value of fixed rate short-term investments will be reflected in the Comprehensive Income & Expenditure Statement, although as the investments are due to mature within 12 months, no such movement is expected.

The OPCC/Group will consider during periods of falling interest rates, and where economic circumstances allow, the viability of repaying loans early in order to limit the OPCC/Group's exposure to interest rate risk.

Price risk

The OPCC/Group does not hold equity shares or other shareholdings and hence has no exposure to the gains or losses arising from a movement in the price of shares.

Foreign exchange risk

The OPCC/Group has no financial assets or liabilities in foreign currencies and hence has no exposure to losses arising from movements in exchange rates.

42. Accounting Standards Issued but not yet adopted

Under The Code of Practice on Local Authority Accounting disclosure of the impact of accounting standards issued but not yet adopted is required. Following a review of the relevant standards it has been determined that there would be not material changes to the accounts if these were to be adopted.

The most relevant standard being adopted for 2024/25 is IFRS 16 Leases, when implementation is mandatory.

43. Accounting policies used by the Group & OPCC

A1 General principles

The statement of accounts summarise the Office of the Police and Crime Commissioner (OPCC) and the Group's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The OPCC/Group is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which require the statements to be prepared in accordance with proper accounting practice. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

All accounting policies that are material to the production of the accounts are described in this note.

A2 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:

- Revenue from the sale of goods / provision of services is recognised when (or as) the services are transferred to the service recipient in accordance with the performance obligations of the contract
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

A3 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that 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 OPCC/Group's cash management.

A4 Prior period adjustments, changes in accounting policies and estimates and errors

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

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

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

A5 Charges to revenue for non-current assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Group is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance, (Minimum Revenue Provision (MRP)). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement of Reserves Statement for the difference between the two.

A6 Council tax – collection fund debtors/creditors and surplus/deficit

The council tax income included in the Comprehensive Income and Expenditure Statement (CIES) is the OPCC's share of the accrued income for the year. However, regulations determine the amount of council tax that must be included in the OPCC's / Group's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

A7 Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave, paid sick leave for current employees and are recognised as an expense for services in the year in which the employees render service to the authority. An accrual is made for the cost of holiday entitlements (or and form of leave, eg time off in lieu) earned by employees but not taken before the year – end that employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

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

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

Post-employment benefits

Employees of the OPCC/Group are members of two separate pension schemes:

a) Police officers

The Police Pension Scheme (PPS) for police officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007 the Group is required to operate a Pension Fund Account and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. If the amounts receivable by the pension fund for the year are less than amounts payable, the OPCC/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. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the OPCC/Group, which then must be repaid to central government. Injury awards and the capital costs associated with ill health retirements are paid from the Group's Comprehensive Income and Expenditure Statement.

b) Police staff

The Local Government Pensions Scheme is administered by Leicestershire County Council. This is a funded scheme, meaning that the OPCC/Group and the employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Leicestershire County Council pension fund attributable to the OPCC/Group are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions of mortality rates, employee turnover rates, etc, and projections of future earnings for current employees.
- Liabilities are discounted to their value at current prices.

The assets of Leicestershire County Council pension fund attributable to the OPCC/Group are included in the balance sheet at their fair value:

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

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

Service cost comprising:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
- net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) charged to the pensions reserve as other comprehensive income and expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
- contributions paid to the Leicestershire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the OPCC/Group to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The OPCC/Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements due to medical reasons or injury. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

A8 Events after the reporting period

Events after the balance sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

A9 Financial instruments

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the OPCC/Group becomes a party to the contractual provisions of a financial instrument or, in the case of trade payables, when the goods and services are received. Financial liabilities are recognised at Fair Value.

For most of the borrowings that the OPCC/ Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

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

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

The OPCC's / Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost. ,

Financial Assets Measured at Amortised Cost

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

A10 Government grants and contributions

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

- the authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income & Expenditure Statement. Specific revenue grants/contributions are credited to the relevant service line whilst non ring-fenced revenue grants and all capital grants are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income & Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, 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. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

A11 Intangible assets

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the OPCC/Group can be determined by reference to an active market. In practice, no intangible asset held by the OPCC/Group meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the general fund Balance. The gains and losses are therefore reversed out of the general fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

A12 Jointly controlled operations

The OPCC/Group has interests in a number of jointly controlled operations. All of these collaborations are governed by formal Section 22 agreements. The activities undertaken by the OPCC/Group in conjunction with other joint operators involve the use of assets and resources of those joint operators. The OPCC/Group shares are fully incorporated in the Comprehensive Income and Expenditure statement, Balance Sheet Movement in Reserves and Cash Flow Statement. Further details are shown in Note 7

A13 Leases

The Group as a Lessee

The group classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of the identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

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

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use-asset is subsequently measured using the fair value model and the lease liability is at amortised cost, using the effective interest method.

Low value and short lease exemption

As permitted by the code, the Group excludes leases:

- For low value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and
- With a term shorter than 12 months

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest and straight line depreciation. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

A14 Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the OPCC/Group's arrangements for accountability and financial performance.

A15 Property, plant and equipment

Assets that have physical substance and are held for use in the provision of services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure – over the specified de minimis level – currently £10,000 - on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the OPCC/Group and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price, and
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The OPCC/Group does not capitalise borrowing costs incurred while assets are under construction.

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

- assets under construction –historical cost until completed, whereupon they will be valued and included in the Balance Sheet as operational assets.
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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 e.g Vehicles, IT assets and operational equipment.

Revaluation

Assets included in the balance sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains

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

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The revaluation reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

Components

The OPCC/Group has reviewed its land and buildings non-current assets for evidence of components. A component is a separately identifiable part of an asset which has both a different estimated useful life and also a value which is significant when considered against the total value of the asset.

In conjunction with the OPCC/Group's independent valuers, componentisation thresholds (i.e. the levels at which a component is considered to be worthy of separation) have been set to assist in future asset reviews. A component must constitute more than 25% of the value of the asset and be greater than £100k in value. In addition, the asset must have a useful life (for depreciation purposes) that is significantly different from that of the main structure. Components that are deemed to meet the criteria above are separated from the main structure on the OPCC/Group's asset registers and depreciation calculated separately.

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 differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Depreciation

Depreciation is provided for on all property, leased land, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, equipment and the helicopter – a percentage of the value of each class of assets in the balance sheet, as advised by a suitably qualified officer
- Right of use assets are depreciated over a straight line allocation over the shorter period of the remaining lease term and useful life of the underlying asset (as at the date of adoption).

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The Code sets a number of specific criteria, all of which must be met for an asset to be deemed "asset held for sale":

- The asset must be available for immediate sale in its present condition

- The sale must be highly probable and a plan to sell the asset in place
- The asset must be actively marketed for sale at a price that is reasonable in relation to the current value
- The sale should be expected to complete within one year of the date of classification as a asset held for sale

Where an asset meets these four criteria, it is revalued at fair value (existing use) and then transferred to the *assets held for sale* heading on the balance sheet. Assets held for sale are measured at the lower of (a) fair value (existing use) and (b) market value less disposal costs. Where the market value of an asset held for sale is deemed to have fallen below the current carrying value, the loss is charged to the Comprehensive Income & Expenditure Statement ("Other Operating Expenditure" line).

However, as this is not a charge permitted by statute against the general fund, a reconciling entry is made in the Movement in Reserves Statement to reverse the transaction to the Capital Adjustment Account.

A subsequent increase in market value is credited to the Comprehensive Income & Expenditure Account in the same way but only up to the limit of the value the asset was held at when first reclassified as an asset held for sale. Any further gains in market value over and above the original carrying value will be realised when the asset is disposed of. It should be noted that a balance may remain on the revaluation reserve attributable to the asset. This balance is transferred to the capital adjustment account at the point of disposal.

Depreciation is not charged on assets held for sale.

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

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the OPCC/Group's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the general fund balance in the Movement in Reserves Statement. Where assets are funded by grants or contributions from other bodies that are repayable when the asset is disposed of, appropriate adjustments are made on disposal to recognise a liability.

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

A16 Provisions & Contingent Liabilities

Provisions are made where an event has taken place on or before the Balance Sheet Date:

That gives the OPCC/Group a present obligation (legal or constructive)
That probably requires settlement by a transfer of economic benefits or service potential, and
Where a reliable estimate can be made of the amount of the obligation

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of the available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive

Income and Expenditure Statement in the year that the OPCC/Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

Contingent Liabilities

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

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

A17 Reserves

The OPCC/Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, local taxation, retirement and employee benefits and do not represent usable reserves for the OPCC/Group – these reserves are explained in the relevant policies.

A18 VAT

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

Introduction

The police officer pension fund account was established under the Police Pension Fund Regulations 2007 (SI 2007 No. 1932). It is administered by the Chief Constable using the resources of the OPCC/Group.

The fund receives income each year from:

- Employer's contributions from the OPCC/Group based on a percentage of pay
- Home Office top-up grant via the OPCC/Group
- Contributions from serving police officers
- Other receipts

Pensions to retired police officers, lump sum payments and other benefits are paid from the fund.

The following table shows the movements on the pension fund account for the year:

2023/24 £000		2024/25 £000
	Contributions receivable:	
	OPCC/Group	
(26,522)	■ employer's contributions	(31,096)
(762)	■ early retirements	(472)
(11,494)	■ officers' contributions	(11,838)
-	■ employee contributions owed – Pension Remedy	(278)
-	■ interest on employee contributions owed – Pension Remedy	(86)
(38,778)		(43,770)
(283)	Transfers in from other pension schemes	(67)
	Benefits payable:	
58,027	■ pensions	62,952
-	■ interest on pensions paid to retired officers – Pension Remedy	6
9,086	■ commutations and lump sum retirement benefits	11,167
-	■ interest on commutations/lump sum benefits paid – Pension Remedy	28
1,272	■ ill-health commutations and lump sum retirement benefits	699
123	■ lump sum death benefits	96
-	■ backdated lump sum and interest payments (see note 5)	-
68,508		74,948
	Payments to and on account of leavers:	
92	■ refund of contributions	194
51	■ transfers out to other Police Forces	-
143		194
29,590	Net amount payable for the year	31,305
-	Additional funding Receivable from the Police Fund	-

The following table identifies the net assets and liabilities of the fund:

31st March 2024 £000		31st March 2025 £000
5,603	Current assets Contributions due from the OPCC/Group	4,247
-	Current liabilities Unpaid pensions benefits	-
5,603		4,247

Notes

Note 1

The Chief Constable is required by law to operate a pension fund and the amounts that must be paid into and out of the fund are specified by regulation. Due to the fact that the OCC does not hold assets or liabilities, no cash is transacted by the Chief Constable. All payments and receipts into and out of the fund are made by the OPCC such that the OCC can fulfil the administration of the fund. The fund is balanced to nil at the end of each financial year either by paying over any surplus to the Home Office or by receiving cash in the form of pension top-up grant from the Home Office to make up any deficit. The OPCC acts as intermediary where grant payment/receipt takes place – the grant is therefore shown on the OPCC's Comprehensive Income & Expenditure Statement but is transferred to the OCC through the Intra-Group funding. The fund does not hold any investment assets and follows the accounting policies of the OPCC/Group.

Note 2

Details regarding the accounting policies are detailed within note 41 and A8, notes to the core financial statements.

Note 3

The pension fund does not take account of the liabilities to pay pensions and other benefits after the end of the financial year.

Details of the OPCC/Group's long-term pension obligations can be found in the notes to the core financial statements at note 26.

Note 4

The rate (%) at which employer contributions are made to the police pension fund is set by the Home Office. An actuarial valuation during 2018/19 resulted in an increase in the employers' contribution rate from 21.3% to 31% from April 2019. The results of 2020 Police Pension valuation have now been received and the employers contribution will increase to 35.3% from the 1st April 2024.

Employee contribution rates range between 12.05% and 15.05% dependant on the police officer's salary.

Introduction

In the financial year 2024-25, the implications of the Police Reform and Social Responsibility Act 2011 continued for the two corporations' sole of the Office of the Police and Crime Commissioner (OPCC) and the Office of the Chief Constable (OCC). Rupert Matthews was re-elected as the Police and Crime Commissioner for Leicestershire on 2nd May 2024, undertaking his second term in office.

The paragraphs below detail the governance and assurance arrangements that have been in place throughout the year.

Scope of Responsibility

The Police and Crime Commissioner for Leicestershire (PCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is used economically, efficiently, and effectively. The PCC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The PCC has approved and adopted a Corporate Governance Framework, which is consistent with the principles and guidance Notes of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government. A copy of both the Framework and the 2016 Guidance notes for Policing Bodies in England and Wales can be obtained from the Office of the Police and Crime Commissioner (OPCC), Leicestershire Police Headquarters, St Johns, Enderby, Leicester, LE19 2BX.

This statement explains how the PCC has complied with the Framework and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an annual governance statement.

2) The Purpose of the Governance Framework

The Joint Corporate Governance Framework comprises the systems and processes, and culture and values, by which the OPCC is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the OPCC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.

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

The Joint Corporate Governance Framework (CGF) was developed in 2013-14, was considered by the Joint Audit Risk and Assurance Panel (JARAP) and reviewed in March 2014 to incorporate the changes required under Stage 2 Transfer arrangements. The CGF has been reviewed and updated during 2023-24 following extensive consultation and ratified at Corporate Governance Board in March 2024.

3) The Governance Framework

Both the PCC and the CC continued to ensure that appropriate management and reporting arrangements were in place to enable it to satisfy itself that its approach to corporate governance was both adequate and effective in practice. These arrangements included:

- The Joint Corporate Governance Framework;
- A Risk Management Strategy for the OPCC and OCC;
- An Annual Governance Statement produced by the OPCC and the OCC;
- A Regional Governance Statement;
- Ensuring that there is an effective Internal Audit function.

During 2024-25, Mazars continued as Internal Auditors for the region. Regular review and planning meetings took place which helped identify, discuss and share best practice and identify potential common audit themes.

Mazars also attended Regional CFO and Finance Director meetings to update on the progress of 2024-25 Regional Collaboration audits and the Regional Collaboration Internal Audit Plan and the proposed workplan and timescales for 2025-26.

The effectiveness of audit committees should be carried out periodically. A self-assessment effectiveness review was undertaken by the OPCC and JARAP members during 2024-25 using CIPFA guidance. The findings were reported to the JARAP at its meeting on 14 May 2025. Overall, the review concluded that the JARAP is operated in an effective manner.

The 2024-25 Internal Audit Plan was considered and approved at the JARAP meeting held on 17 April 2024. It was prepared following discussion and consideration of regional and three force audit themes, the risk register and other factors.

Mazars attended each JARAP meeting to routinely report to and provide assurance on the adequacy and effectiveness of internal control.

The system of internal control is based on a framework of robust financial and contract procedure rules and processes, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the OPCC and the Office of the Chief Constable (OCC) and is reviewed by internal and external audit. In particular the system includes:

- A Police and Crime Plan for 2021-24 which sets out the priorities for the Chief Constable to deliver against. A link to the document is contained here:
<https://www.leics.pcc.police.uk/Planning-and-Money/Police-and-Crime-Plan/Police-and-Crime-Plan.aspx>
- Performance management framework, performance plans, targets and performance monitoring focused on achieving the objectives set out in the Plan. These reports are reviewed and scrutinised by the PCC at the Corporate Governance Board;
- Comprehensive budgeting systems that seek to align resources with priorities;
- Robust financial reporting, which routinely projects end of year outturn positions to allow early corrective action or highlight reinvestment opportunities;
- Effective risk management strategies, registers, action plans and tactics;
- A Commissioning Framework to which detailed the approach to engagement with partners and to commissioning appropriate outcomes through third party providers;
- Engagement in value for money benchmarking such as is conducted by Her Majesty's Inspectorate of Constabulary (HMICFRS);
- A well-researched and coherent Joint Corporate Governance Framework that sets out the rules and procedures for effective working within and between the OPCC and OCC;
- Appropriate statutory officers within both the OPCC and OCC, who are key members of respective leadership teams with relevant influence on strategic and tactical matters;
- Codes of Conduct and standards of behaviour clearly set out in governance documents with the former being signed by the PCC;
- An independent Joint Audit, Risk and Assurance Panel (JARAP) that is charged with seeking assurance over risk, governance and internal control for both the OPCC and OCC;
- Internal Audit team where the plan and therefore resources are directed towards risk and emerging issues; and where the plan is shaped by both the OPCC and the OCC;
- External reviews and inspections carried out by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) which inform the PCC and the CC and highlight risks and learning points in addition to good practice.
- Regular reviews and updates on Regional Collaboration are discussed at the East Midlands PCC and CC Board who meet bi-monthly.

4) Compliance with the Seven Principles set out in the CIPFA/SoLACE Framework

Principle A: Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of Law:

Both the PCC and the CC support the Joint Corporate Governance Framework which aligns to the Code of Corporate Governance, and which provides guidance on expected behaviours to ensure integrity. The JARAP receive regular updates on Fraud and Corruption and Whistleblowing arrangements in line with their annual plan.

Any whistleblowing activities are investigated by the Professional Standards Department and appropriate action is taken. The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure, to comply with legal requirements and for reporting any such instances to the PCC, CC, JARAP or Police and Crime Panel.

Detailed reviews of whistleblowing and complaints are considered by the Ethics and Transparency Panel who also undertake dip sampling of complaints.

The Police and Crime Plan outlines the PCC's commitment to ethical values and the PCC and DPCC have completed the register of interests which is contained on the PCC website. Additionally, Related Parties Disclosures are undertaken for all key staff in the OPCC and OCC.

Principle B: Ensuring openness and comprehensive stakeholder engagement

All agendas, papers and meetings of the JARAP and Ethics and Transparency Panel and the Police and Crime Panel are contained on the respective websites. All of these meetings are open to the public.

Papers, reports and decisions made by the PCC are published on the PCC website, together with consultation, details of future public events and public surveys.

Detailed financial information is included on the police force's website which details every expenditure transaction over £500.

The Police and Crime Plan sets out the importance placed by the PCC on stakeholder engagement, together with his plans and approach to developing these further.

Principle C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes

The PCC has produced a Police and Crime Plan which has been informed by the Strategic Policing Requirement and the result of significant consultation with the public and key stakeholders.

This plan is used to direct the resources of the PCC and the Chief Constable through the Revenue and Capital Budgets and the Commissioning Framework. It informs where resources are most needed and targets investment into priority areas.

The PCC has a Minimum Revenue Policy, a Reserves Strategy and a Treasury Management Strategy and these are all considered with the Capital Programme and Revenue budget when considering the level of precept to be set. There are regular reports to the Corporate Governance Board (CGB) to report on progress and compliance with these policies during the year.

The PCC has produced a Sustainability and Environmental Policy Statement to establish a process to ensure the work undertaken by the OPCC (including Commissioned Services) do all that is reasonable to minimise the impact on the environment.

Principle D: Determining the Interventions necessary to optimise the achievement of intended outcomes

All new areas of business are considered through the Force arrangements via the Executive Group. Business cases support proposals both at a local, regional and sub-regional level before consideration and sign off where appropriate by the PCC or CC, dependent on the values contained within the Corporate Governance Framework.

Regionally, Business Cases are considered first by the DCC Board before consideration by the CCs and PCCs, together with advice from statutory officers.

Significant decisions are documented on a Decision Record and published on the PCC website.

The PCC produces a Commissioning Framework which sets out to support the delivery of the Police and Crime Plan through commissioning activities.

Principle E: Developing Capacity and Capability

The Force work closely with the College of Policing to ensure investment is maximised for officers and staff. Significant work has taken place across the region with the college in respect of the apprenticeship scheme for new recruits and further development of officers aspiring to senior ranks.

The PCC has continued to support the CC in recruiting officers and PCSO's to maintain establishment levels and ensure continued introduction of new ideas and ways of working. The PCC continues to support the CC to recruit a diverse workforce which is reflective of the communities they represent.

The Force's Team Leicestershire Academy, supported by the PCC, has ensured that the workforce have the right skills, are continuously developing, and have the right capabilities to deliver an efficient and effective police service.

Principle F: Managing Risks and Performance

Performance forms a significant part of the regular Corporate Governance Board meetings and a representative from the OPCC attend the Business Delivery Board to discuss Performance at a more operational level and identify the issues and challenges.

Whilst Leicestershire have mirrored the national trend where Crime levels have increased, the PCC highlights areas of Force Performance which are of concern. He has undertaken further scrutiny in this area on a regular basis and this is also an area reviewed regularly by the Police and Crime Panel.

Both the PCC and CC have a Risk Management Policy and manage and record risks in the same manner. These risks are reviewed regularly and considered at every JARAP meeting.

The Joint Corporate Governance Framework sets out the financial regulations, expected processes and internal controls.

There is a shared Internal Audit Service across the region and updates on local and regional audits are considered at every JARAP meeting.

Annual reports on HR and complaints and disciplinary processes are considered by the Corporate Governance Board and the Ethics and transparency Panel, together with actions and lessons learned.

Principle G: Implementing good practices in transparency, reporting and accountability

All significant decisions of the PCC are published on the website, together with appropriate supporting documentation. The Police and Crime Plan and Commissioning Framework are also reported on and published on the website.

The PCC meets weekly with the CC to discuss key issues and challenge and scrutinise where performance is slipping or other key aspects.

The PCC attends and reports to the Police and Crime Panel who scrutinise how the PCC is holding the CC to account, consider performance, the Police and Crime Plan and other priorities.

5) Review of Effectiveness

The OPCC and OCC have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the OPCC and OCC who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The OPCC and OCC continued to invest in an Internal Audit programme in 2024-25 to provide assurance under the arrangements for the two corporation soles. These ensured specific local audits on:

- Core Financials
- Budgetary Control
- Business Continuity
- Workforce Planning
- Partnerships
- DV Partnerships Follow-up
- Seized Property
- Custody Governance
- GDPR
- Savings Plan
- Contract Management
- Data Quality
- Cyber Security/Digital Transformation

During 2024-25, the following collaborative audits or specific assignments were carried out:

- EMSOU – Data Governance and Security
- EMSOU – Wellbeing and EDI

In addition to a review of key controls working well and highlighting findings and recommendations, the Internal Audit reports also include an overview on sector comparisons, risk management and value for money observations.

The Mazars Internal Audit annual report covered the period 1 April 2024 to 31 March 2025 and will be reported to and considered by the JARAP in August 2025. The key messages in that report are included here within this Annual Governance Statement.

The Internal Audit opinions included within their annual report for both the Police and Crime Commissioner and the Chief Constable for 2024-25 were as follows:

“On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness.

This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work, in particular an unsatisfactory assurance opinion was provided in respect of GDPR, and limited assurance opinions for Business Continuity, Custody Governance, Cyber Security Key Controls and Data Quality.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as ‘High’ and ‘Medium’. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

A ‘Substantial’ assurance opinion was provided for five internal audits; Savings Plan, Core Financials, Budgetary Control, Partnerships, and Workforce Planning..”

The basis of Mazars’ opinion was as follows:

“In reaching this opinion the following factors were taken into consideration:

Corporate Governance

The purpose of internal audit is to provide the Joint Audit, Risk & Assurance Panel (JARAP), with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the OPCC and Force’s agreed objectives. It also has an independent and objective advisory role to help line

The OPCC for Leicestershire
2024/25

Annual Financial Report

managers improve governance, risk management and internal control.

Risk Management

Our opinion was also informed by consideration of risk management aspects through our individual assignments, as well as observing reports and discussion around the Force’s and OPCC’s Risk Management including the risk register at each JARAP meeting with no significant issues arising.

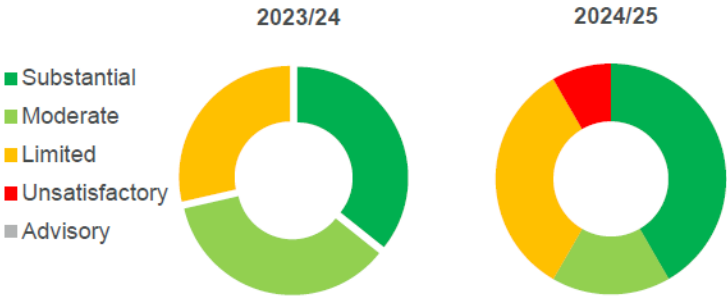
During the course of delivering the 2024/25 audit programme, a key element of each audit scope was to evaluate the control environment and, in particular, how key risks were being managed. As summarised in the ‘Internal Control’ section below, we were able to place reliance on the systems of internal control and the manner in which risks were being managed by the Force and OPCC.

Internal Control

Of the 12 audits undertaken, where a formal assurance level has been provided, five received a substantial level of assurance and two audits received a moderate level of assurance. A limited level of assurance has been awarded in four instances, and an unsatisfactory level of assurance for one.

We have made a total of 40 new recommendations during the year at the Force and OPCC, with 8 categorised as ‘High’, 20 as ‘Medium’ and 12 as ‘Low’. The number and priority of recommendations raised across the audit plan supports the overall assessment that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Comparison of Assurance Levels

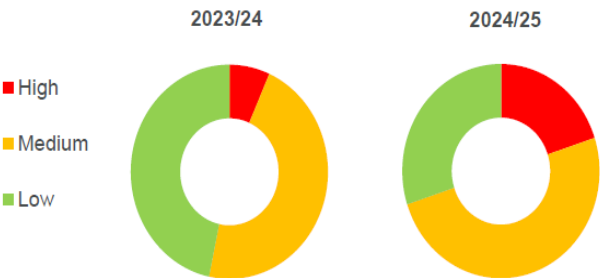


In 2023/24, there were 14 audits completed. Five received ‘Substantial’ assurance, five received ‘Moderate’ assurance and four received a ‘Limited’ opinion.

Of the 12 strategic audits conducted in 2024/25, five received ‘Substantial’ assurance, two received a ‘Moderate’ assurance, four received a ‘Limited’ opinion and one received an ‘Unsatisfactory’ assurance.

It should be noted though that the areas of review will not typically be the same given the risk-based nature of the Internal Audit Plan year on year and that caution should be exercised in comparing years.

Comparison of Recommendation Gradings



The total number of recommendations raised in 2023/24 were 45.

The total number of recommendations made in 2024/25 was 40. There have been eight High priority recommendations raised this year.

As noted above, the areas of review each year will not typically be the same.

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of Leicestershire Police at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

In fulfilling our role, we abide by the three mandatory elements set out by the Institute of Internal Auditors. Namely, the Code of Ethics, the Definition of Internal Auditing and the Standards for the Professional Practice of Internal Auditing.

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the JARAP. We have received positive feedback on our work from the JARAP and staff involved in the audits. Regular planned discussions on progress against the Audit Plan have taken place with the JARAP.

Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Internal Audit Quality Assurance

In order to ensure the quality of the work we perform; we have a programme of quality measures which includes:

- *Supervision of staff conducting audit work;*
- *Review of files of working papers and reports by Managers and Partners;*
- *Annual appraisal of audit staff and the development of personal development and training plans;*
- *Sector specific training for staff involved in the sector;*
- *Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and*
- *The maintenance of the firm's Internal Audit Manual.*

Due to delays across the audit sector the audit of the 2021-22 and 2022-23 statement of accounts were not completed by our external auditors, Ernst Young LLP, and the government backstop implemented. This resulted in disclaimer of opinion for the 2021-22 and 2022-23 statement of accounts. As a result of the imposed backstop date for the prior two years, the external auditors were not able to obtain sufficient appropriate audit evidence over the PCC's and Group opening balances reported in the financial statements for year ended 31 March 2024. Therefore, a disclaimer of opinion was given by the External Auditors, Grant Thornton, for the 2023-24 statement of accounts.

The JARAP meets four times during the year. The JARAP undertook a detailed work plan which included considering the work of internal and external audit, tracking of Internal Audit recommendations, risks and risk management, and specific themes. In addition, the JARAP approved an annual workplan, for 2024, reviewed their terms of reference and produced an annual report of their work.

During the year, the JARAP received or prepared a number of updates, presentations and reports on specific areas of risk or concern.

6) Significant Governance Issues and Actions

There were no formal reports issued by the S151 or Monitoring Officer during the year, outcomes of Monitoring Officer Investigations, objections from local electors or ombudsman referrals.

In 2024-25 internal auditors, Mazars, carried out 13 audits. Four of the audits undertaken were given limited assurance which indicates some improvements are required and 1 audit was given an unsatisfactory assurance level which indicates serious weaknesses in the control framework.

The audits that received unsatisfactory assurance was:

- GDPR

The audits that received limited assurance were:

- Business Continuity
- Data Quality
- Custody Governance
- IT – Cyber Security/Digital transformation

GDPR

There was one priority four (high) recommendation, and three priority three (low) recommendations.

The priority one recommendations centred on the OPCCs Register of Processing Activity (ROPA) and Information Asset registers (IAR) including retention schedules. It recommended a comprehensive audit of the processing activities and information assets are accurately recorded within a ROPA and IAR. It is recommended a separate IAR and Register of Processing Activities, ensuring that retention periods are included and the OPCC should review access arrangements to its folders and follows the principle of Least Privilege.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

Business Continuity

There was one priority one (high) recommendation, two priority two (medium) recommendations and one priority three (low) recommendations.

The priority one recommendation centred on the business continuity policy and procedure. It recommended that the policy and procedure should be updated to define how often testing should take

place and heads of departments/plan owners should develop a schedule of testing for their plans. It also recommended that the force develops business continuity management competencies through additional training.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

Data Quality

There was one priority one (high) recommendation, two priority two (medium) recommendations and one priority three (low) recommendations.

The priority one recommendation centred on a programme of work and delivery plans to support the Data Quality Strategy. It recommended that the Force perform an exercise to identify and agree key themes that improve data quality, create an overall programme of work or delivery plan, consider creating operation workstreams, and establish and implement robust governance, monitoring and reporting.

This recommendation was agreed by management and is in the process of being implemented. Progress against the recommendations is routinely reported to the JARAP meeting.

Custody Governance

There was no priority one (high) recommendation, five priority two (medium) recommendations and two priority three (low) recommendations.

Although there wasn't any priority one recommendations, the number of priority two recommendations resulting in the limited assurance. The priority two recommendations centred around risk assessment procedures, internal protocols, KPIs, and additional training.

This recommendation is still being reviewed by management and is in the process of being implemented. Once finalised progress against the recommendations will be routinely reported to the JARAP meeting.

IT – Cyber Security/Digital Transformation

There was one priority two (high) recommendations and four priority two (medium) recommendations.

The audit is currently still under review and not yet finalised. The recommendations will be assessed by management. Progress against the recommendations will be routinely reported to the JARAP meeting.

Police and Crime Plan and Resources

The Budget Requirement and Precept report was presented and agreed at the Police and Crime Panel on 5th February 2025. At the start of the 2025/26 budget process Leicestershire Police reported a £9.3m deficit. The Force and OPCC have worked together to identify area for potential savings in both the OPCC and the Force. The OPCC for Leicestershire

Annual Financial Report

2024/25

Difficult decisions had to be made in order to balance the budget including reducing service delivery and resource. A balanced budget was presented for 2025/26, with an efficiency savings target of £1.1m. The report also highlighted a financial deficit over the remaining three years of the MTFP of £2.9m for 2026/27, £4m for 2027/28 and £1.6m for 2028/29. The Force are working on a transformation and sustainability plan to overcome the budget deficit and deliver a sustainable budget for 2025/26 and beyond.

Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services Findings for PEEL 2023-24

Leicestershire Police were inspected by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) during 2024 with the findings being published in December 2024. The detailed report can be viewed on the HMICFRS website.

In 2014, HMICFRS introduced the police effectiveness, efficiency and legitimacy (PEEL) inspections, which assess the performance of all 43 police forces in England and Wales. Since then, HMICFRS have been continuously adapting their approach.

The HMICFRS has moved to a more intelligence-led, continual assessment approach, rather than the annual PEEL inspections used in previous years. Forces are assessed against the characteristics of good performance, set out in the PEEL Assessment Framework 2023-25.

Due to the change in approach the HMICFRS advise that it is not possible to make direct comparisons between the grades in this PEEL inspection and those from the previous cycle of PEEL inspections. This is because HMICFRS has increased their focus on making sure forces are achieving appropriate outcomes for the public, and in some areas have changed the aspects of policing inspected.

The HMICFRS assessed how good Leicestershire Police is in nine areas of policing and they made graded judgements in eight of these as follows:

HMICFRS also inspected how effective a service the Force gives to victims of crime. HMICFRS don't make a graded judgement for this area.

Leicestershire did not receive any causes for concern but did receive 10 areas for improvement. Significant progress has been made in each of these areas and when HMICFRS visited during January 2025 the actions taken and improvement plan were presented.

High priority strategic risks

At the end of March 2025, the Strategic Risk Register highlighted 7 strategic risks relating to the OCC and 2 strategic risks relating to the OPCC that were judged to be high priority. They were:

OCC

- Inability to maintain power that sustains the IT system and CMD
- Capacity within I.T.
- Risk of successful cyber attack on Leicestershire Police
- Lack of security testing and confidence of Promaps System
- Risk to public confidence due to a year on year increase of complaints from members of the public
- Risk associated with a transition to an alternatively fuelled fleet
- Anti-Fraud and Theft risk to the force

OPCC

- The Financial Challenge 2024/25 -2027/28
- Risk of Cyber Attack

All of these risks are being managed through the Organisational Risk Board (ORB), OPCC SMT Meetings and the JARAP.

Conclusion

This document highlights the main areas of assurance that are in place for the OPCC as well as highlighting particular issues that have been raised through internal audit reports, external audit reports, the strategic risk registers and the external inspections that have been carried out by HMICFRS. It is intended to provide assurance that the overall arrangements in place are sound whilst highlighting some areas that do require further management action. These will be monitored closely over the next financial year.

Rupert Matthews
Police and Crime Commissioner
xxxxx

Claire Trewartha
Chief Executive, OPCC
xxxxx

Kira Knott
Chief Finance Officer, OPCC
xxxxx



ANNUAL GOVERNANCE STATEMENT **FOR REGIONAL COLLABORATION 2024/25**

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

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

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

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

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

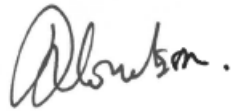
3. That the appropriate controls are in place for the management of all resources deployed within Regional collaboration

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

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

4. Incorporating good governance arrangements in respect of partnerships.

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



SignedDate15/05/2025

Diane Coulson
ACC (East Midlands)

INDEPENDENT AUDITORS REPORT TO THE POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE

Opinion

Accounting policies

These are a set of rules and codes of practice used in preparing the accounts

Accrual

A sum included in the accounts to cover income or expenditure attributable to an accounting period for goods supplied and received or works done but for which payment has not been received or made by the end of the period.

Actuarial gain/loss

The change in pension liabilities that arises because either events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or because the actuarial assumptions themselves have changed.

Actuarial Valuation

A valuation of the assets of a pension scheme, an estimate of the present value of benefits to be paid and an estimate of the future required contributions into a pension scheme.

Amortisation

The annual amount charged to the Comprehensive Income & Expenditure Statement in respect of the consumption of intangible non-current assets (i.e. software licenses).

Budget

A statement of the OPCC/Group's plans in financial terms. A budget is prepared and approved by the OPCC/Group prior to the start of each financial year.

Capital expenditure

Expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital financing requirement

The capital financing requirement represents capital expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or third-party contributions at the time of spending. It measures the OPCC/Group's underlying need to borrow for a capital purpose.

Capital grant

Grant received from central government that is used to finance specific schemes in the capital programme. Where capital grants are receivable, these are used as far as possible to finance relevant capital expenditure within the year they are received.

Capital receipts

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

CIPFA

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

Commuted lump sums

These are the amounts paid to officers when they retire, if they choose to have a lower pension.

Contingent liabilities

A contingent liability is either:

- (a) a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the OPCC/Group's control, or

(b) a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Corporate and democratic core

These represent the costs of delivering public accountability and representation in policy making and meeting our legal responsibilities.

Creditors

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

Current service cost (Pensions)

The increase in the present value of pension liabilities generated in the financial year by employees. It is an estimate of the true economic cost of employing people in the financial year, earning service that will eventually entitle them to the receipt of pension benefits on retirement.

Debtors

Sums of money due to the OPCC/Group for work done or services supplied but not received at the end of the financial year.

Deferred liabilities

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

Defined benefit scheme

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

Depreciation

The measure of the cost or revalued amount of the benefits of the non-current asset that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a non-current asset whether arising from use, passing of time or obsolescence through either changes in technology or the demand for the service produced by the asset.

Financial regulations

A written code of procedures approved by the OPCC/Group and intended to provide a framework for the proper financial management of the OPCC/Group. The financial regulations are supported by detailed financial instructions.

Financial year

The period of time commencing on the 1st April covered by the accounts.

Formula spending share

The proportion of spending by local authorities which the government considers should be attributed to each OPCC/Group and used as a basis for distributing grant.

Impairment

A reduction in the value of a non-current asset below the amount shown on the balance sheet.

Investment property

Those assets held primarily to realise increases in their value and/or income (i.e. where rented to a third-party).

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Leasing

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

The OPCC for Leicestershire
2024/25

Annual Financial Report

- (a) finance leases which transfer all of the risks and rewards of ownership of a non-current asset to the lessee. The lessee recognises both an asset (right-of-use asset) and a liability (lease obligation) on the balance sheet.
- (b) operating leases where the ownership of the asset remains with the leasing company. The lessee recognises the lease expense on the income and expenditure statement and may or may not recognise a right-of-use asset and lease liability, depending on the specific value and lease term.

Liquid resources

Assets which can be realised within a very short period of time. For example cash held in an instant-access bank account is considered a liquid resource.

Minimum revenue provision

The minimum amount that the OPCC/Group is statutorily required to set aside from revenue each year as a provision to meet credit liabilities. For the OPCC/Group this relates to a principal sum based on a prudent assessment of the useful life of the asset, which is used for the redemption of external debt.

Net book value

The amount at which non-current assets are included in the balance sheet and being their historical cost or current value, less the cumulative amounts charged for depreciation, amortisation and any impairment losses.

Non-current assets

Tangible and intangible assets that yield benefits to the OPCC/Group for a period of more than one year.

Non distributed costs

This is where overheads are not charged or apportioned to activities within the service expenditure analysis in the Comprehensive Income and Expenditure Account.

Past service cost (pensions)

Represents the increase in pension liabilities caused by decisions taken in the financial year concerning retirement benefits but whose financial effect is derived from pensionable service earned in earlier financial years.

Precept

The levy by which the OPCC/Group obtains the income it requires from council tax.

Public Works Loan Board (PWLb)

A government agency that provides borrowing to local authorities at preferential interest rates.

Receipts and payments

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

Unusable reserves

These are reserves resulting from the interaction of legislation and proper accounting practices. These reserves are not resource backed and cannot be used for any other purpose.

Usable reserves

These are held at the discretion of the OPCC/Group and are resource backed. Usable reserves may either be general (in the case of the general fund) or specific (in the case of the earmarked reserves).