





























# The Chief Constable of Cumbria Constabulary

## Summary Statement of Accounts 2023/24

### The Balance Sheet

Summary Balance Sheet	Balance 31/03/2023 £000s	Balance 31/03/2024 £000s
Current Assets	17,754	19,671
Current Liabilities	(20,807)	(17,513)
Long Term Liabilities	(1,067,387)	(1,086,581)
<b>Net Liabilities</b>	<b>(1,070,440)</b>	<b>(1,084,423)</b>
Unusable Reserves	(1,070,440)	(1,084,423)
<b>Total Reserves</b>	<b>(1,070,440)</b>	<b>(1,084,423)</b>

The balance sheet shows the value as at the balance sheet date (31 March 2024) of the Chief Constable's assets and liabilities.

The Chief Constable's current assets (£19.671m) are comprised of the Chief Constable's share of short-term debtors and the balance of funding between the Commissioner and the Chief Constable. Current liabilities (£17.513m) reflect amounts owed by the Chief Constable. They include the Chief Constable's share of short-term creditors and the balance of funding between the Chief Constable and the Commissioner. Long-term liabilities (£1,087m) represent the Chief Constable's share of the pensions deficit together with a small number of provisions to meet future liabilities. The net assets (assets less liabilities) are matched on the balance sheet by the Chief Constable's reserves. The balance sheet reserves reflect the position at year end and therefore match the final position shown in the movement in reserves statement. The balance sheet is shown on page 29 in the full statement of accounts.

The Chief Constable's 2023/24 balance sheet shows a combined pensions deficit of (£1,080m) ((£1,066m) in 2022/23) for the LGPS and the Police Pension Scheme to which its employees and former employees belong. However, statutory arrangements for funding the deficit, through increased contributions over a period designed to balance the pensions account and central government funding mean that the financial position of the Chief Constable remains healthy.

### The Cash Flow Statement

Summary Cash Flow Statement	Cash flows 2022/23 £000s	Cash flows 2023/24 £000s
<b>Cash &amp; Cash Equivalents 1 April</b>	<b>0</b>	<b>0</b>
Net (Surplus)/Deficit on the provision of services	37,798	21,757
Adjustments for Non-cash Movements	(37,798)	(21,757)
<b>Net Cash Flows from Operating Activities</b>	<b>0</b>	<b>0</b>
<b>Cash &amp; Cash Equivalents 31 March</b>	<b>0</b>	<b>0</b>

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all cash and cash equivalents are held by the Commissioner and as such, the Chief Constables cash flow statement simply reflects the surplus or deficit from the provision of services less adjustments for non-cash movements. The statement is shown on page 30 of the full statement of accounts.

# The Chief Constable of Cumbria Constabulary

## Summary Statement of Accounts 2023/24

### Police Officer Pension Fund Account

Summary Police Pension Fund	Pension Fund A/C 2022/23 £000s	Pension Fund A/C 2023/24 £000s
Contributions - Employer	(14,714)	(16,588)
Contributions - Officers	(6,348)	(7,193)
Contributions - Other	(376)	(268)
Benefits Payable	40,622	40,539
Other Payments	163	55
<b>Net Amount Payable</b>	<b>19,347</b>	<b>16,545</b>
Contribution from Home Office	(19,347)	(16,545)
Net Amount Payable	0	0

This statement sets out the transactions on the Police Officer pension fund account for the year. The statement records all of the contributions that have been made to the pension fund during the year. These are primarily contributions from employees and the Constabulary, as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions, either from officers joining the scheme in the year and transferring in existing pensions benefits or additional contributions from the employer to cover the cost of ill-health retirements.

The fund also records the benefits paid out of the fund to its members. Any difference between the contributions received into the fund and amount paid out is met by government grant, paid through the Commissioner. This means that the police pension fund always balances to nil.

The statement identifies contributions made in 2023/24 totaling (£24.049m). The pension benefits that are payable from the fund, together with other payments amounted to £40.594m. The balance between contributions and pensions' benefits paid of £16.545 has been funded by the Home Office via the Police, Fire and Crime Commissioner. The full pensions fund accounts and note can be found on pages 52-53 of the full statement of accounts.

### Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements which are shown alongside the relevant note in the accounts or in Annex A where they are generic to the accounts as a whole. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published alongside the Annual Governance Statement for the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations. The Annual Governance Statement (AGS) of the Chief Constable can be found in Annex D of this Statement of Accounts or on the Constabulary website at [www.cumbria.police.uk](http://www.cumbria.police.uk).

### The Financial Outlook

The financial statements provide a breakdown of net spending during the year with the balance sheet showing the strong overall financial position of the Commissioner and Chief Constable as at 31 March 2024. This has primarily arisen as a result of positive action on behalf of the Constabulary to manage costs in the context of increasing demand for services and real terms reductions in funding over the last decade.

Looking forward, the Government has continued to provide funding in respect of the Uplift Programme (the scheme to recruit an additional 20,000 officers nationally by 31/03/2023). In Cumbria's case, further additional ringfenced grant of £3.6m has been provided for 2024/25 (conditional on maintaining the Uplift numbers), which, in combination with continued flexibility afforded to Police and Crime Commissioners to levy increased council tax has enabled the budget for 2024/25 to be balanced.

Whilst the position is financially resilient in the short term, there are uncertainties which have the potential to impact negatively on the budget in the medium term. Based on the MTFF assumptions, savings will need to be delivered from 2025/26 to balance the budget. The cumulative budget gap by 2028/29 is forecast as £16.1m. The uncertain impact of inflation on future budget prospects compounds existing financial risks in relation to the adequacy and sustainability of funding beyond Operation Uplift, the cost of national policing programmes, particularly the Emergency Services Network, pensions issues and the review of the police funding formula. The required savings are considered to be challenging, and will need diligence to ensure they are achievable and manageable.

The Commissioner and Chief Constable recognise that, having already delivered £27m of savings since 2010, future savings will be hard won. They continue to work towards developing and implementing organisational changes that will improve the efficiency of the Constabulary and seek to address the future gap between expenditure and income.

Within the Constabulary a programme of work, known as the 'Futures Programme' is underway to better understand demand and seek efficiencies. In 2024/25 this programme consists of 16 individual projects. Against this background, the level of required savings highlighted in the MTFF are considered to be achievable.

A reserves policy has also been developed, which seeks to balance pro-actively utilising reserves to support current policing services with maintaining reserves at a level that provides some financial resilience.

In light of the financial outlook presented above and in the context of the MTFF and savings plans, the Chief Constable and the Chief Finance Officer have reviewed the going concern position of the Constabulary and have concluded that it is appropriate to produce the Chief Constable's accounts on a going concern basis.



### Risks

The focus of the Constabulary's strategic risk register is closely aligned with the financial challenges faced by the Constabulary outlined above and the consequential impact of implementing change across the organisation.

There are currently nine risks on Constabulary strategic risk register. The four highest scoring risks are as follows:

- Financial risk that there may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings as a result of; inflationary pressures, reduced government funding, increased pension contributions and potential changes to the police funding formula.
- Operational analytics and research capability and capacity.
- Operation Equate – additional demand relating to the potential coal mine in West Cumbria.
- Emergency Services Network (ESN) & Airwave – the continued use of Airwave as a result of national delays in the delivery of ESN.

Wherever possible the Constabulary actively mitigates and manages its strategic risks.

### Acknowledgements

The financial statements were authorised for issue by me as the Constabulary Chief Finance Officer, on 07 June 2024.

In closing, it is appropriate to acknowledge the dedication and professionalism of Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these statements against tight deadlines.

**Michelle Bellis**

**Constabulary Chief Finance Officer**

The accounts present a true and fair view of the position of the Chief Constable of Cumbria Constabulary as at 31 March 2024 and its income and expenditure for the year there ended.

Signatures removed for the purpose of publication on the website

Michelle Bellis CPFA

Constabulary Chief Finance Officer

Date: 07 June 2024