The Police, Fire and Crime Commissioner for Cumbria

STATEMENT OF ACCOUNTS

2025/26

DAVID ALLEN
CUMBRIA'S POLICE, FIRE AND CRIME COMMISSIONER

www.cumbria-pfcc.gov.uk

The draft Statement of Accounts was approved by the PFCC Chief Finance Officer on 30 June 2026. At this point the Grant Thornton LLP 'appointed auditor' has not yet completed her annual audit and as such has not given an opinion on the accounts. The accounts are therefore watermarked 'subject to audit'. Once the audit has been completed, which is expected to be in September 2026, the Police, Fire and Crime Commissioner will be asked to approve the statements and the audit opinion provided will be inserted at pages 36-41 and the watermarking removed. Pages 34 and 48 of these accounts include signatures which have been removed for the purposes of publication on the website.

DAVID ALLEN

CUMBRIA'S POLICE, FIRE AND CRIME COMMISSIONER

Police, Fire and Crime Commissioner for Cumbria Statement of Accounts 2025/26

About this Publication

This publication contains both the single entity financial statements for the Police, Fire and Crime Commissioner for Cumbria (the Commissioner) and the financial statements for the group position which incorporates those of the Chief Constable for Cumbria Constabulary.

The Statement of Accounts for 2025/26 is available on the Commissioner's website at www.cumbria-pfcc.gov.uk.

The corresponding accounts for the Chief Constable can be found on the Constabulary website at: www.cumbria.police.uk

The Statement of Accounts is also available in printed format from the office of the Police and Crime Commissioner for a nominal fee of £15 per copy.

Alternative Formats

You can get a copy of this document in different formats such as large print, Braille, audio, or in a different language by calling 01768 217734

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Police, Fire and Crime Commissioner for Cumbria

Statement of Accounts 2025/26

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Please see page 51 for a full list of the notes to the accounts and cross references to page numbers.

Throughout this publication wherever a word, phrase or acronym is shown in teal coloured text and underlined an explanation is provided in the Glossary of Terms.

Chief Finance Officer Narrative Report

Introduction

I am pleased to introduce the financial Statement of Accounts for the 2025/26 financial year. These financial statements sets out both the single entity statements of the Police, Fire and Crime Commissioner for Cumbria and the consolidated group position, incorporating the statements of the Chief Constable of Cumbria Constabulary. The accounts are published in accordance with the Accounts and Audit Regulations 2015.

This section of the statements is the Narrative Report. The purpose of the report is to offer readers a guide to the most significant matters reported in our statement of accounts. It sets out our overall financial position and a series of mini statements summarising and explaining the primary financial statements. It includes information on our performance and value for money. A commentary is also provided to set out the major influences impacting our income and expenditure in the current and future financial years.

By providing this information we aim to support our readers with an understandable and informative narrative on those matters most significant to our financial position and our financial and non-financial performance. This narrative report is provided as part of the overall publication of the financial statements and also as a standalone report. It can be accessed through the Commissioner's website: www.cumbria-PFCC.gov.uk together with the single entity statements of the Chief Constable.

Statutory Framework

The Police, Fire and Crime Commissioner was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRSRA 2011). The PRSRA 2011 provides that there will be a Police, Fire and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

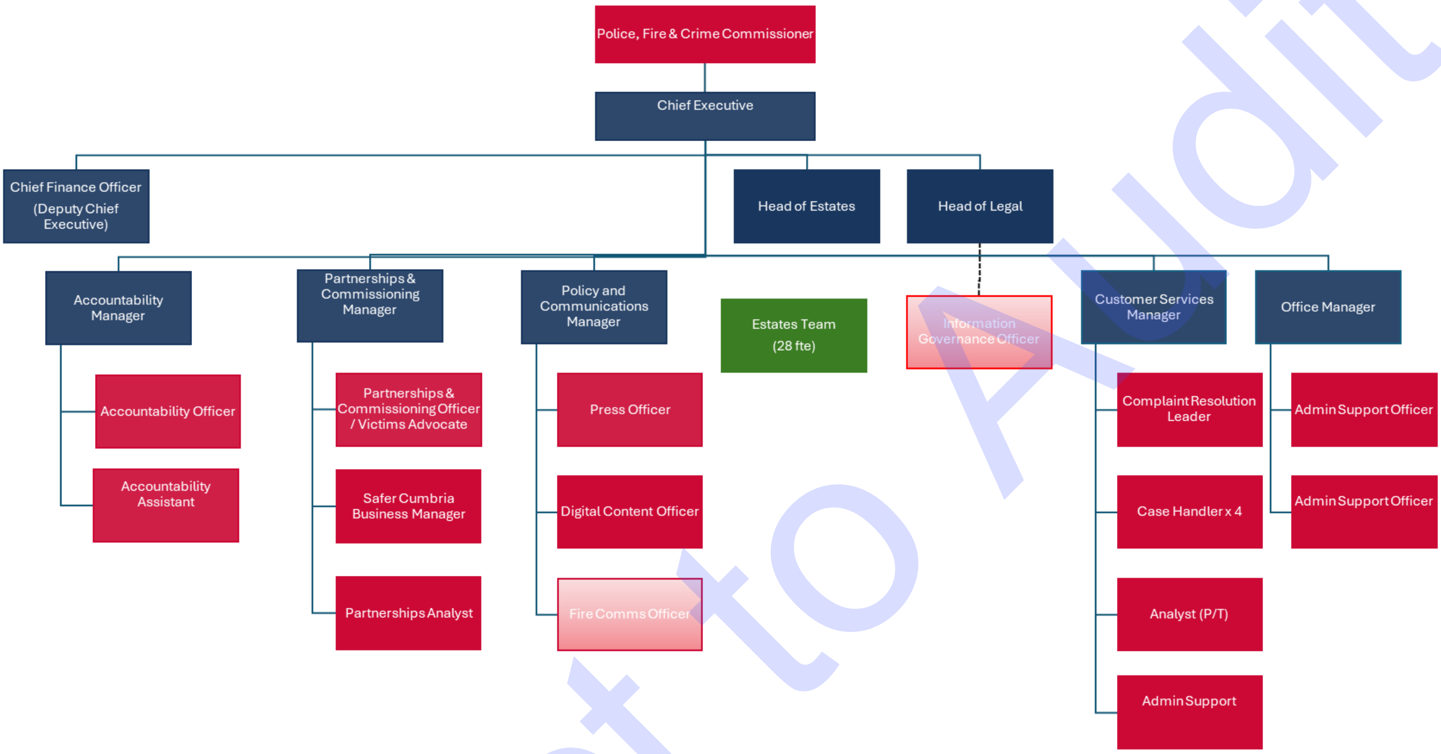
The PRSRA 2011 also established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the King’s peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure.

The PRSRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office under the legislation issues a Financial Management Code of Practice for the Police Forces of England and Wales.

The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. The Commissioner decides the budget, allocating assets and funds to the Chief Constable. This, in addition to the powers of the Commissioner to set the strategic direction for policing, appoint, and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of the group accounts.

Our Organisation



The Police, Fire and Crime Commissioner is supported by an office of 42.7 FTE staff, this includes two statutory officers and also includes the estates team.

The Chief Constable is accountable to the Commissioner and has responsibilities to support the Commissioner in the delivery of the strategy and objectives set out in the Police, Fire and Crime Plan. Both entities have appointed a Joint Audit Committee and a Joint Community Scrutiny Panel. The Committee and Panel comprise independent members to oversee arrangements for governance, including financial reporting and the arrangements for integrity and ethical behaviour. Four Custody Visiting Panels fulfil the statutory requirement for independent review of custody. Membership of the panels at the end of 2025/26 were: Barrow 10, Kendal 8, North Cumbria 10 and West Cumbria 11.

Our Goals

The Commissioner sets the strategic direction for policing and wider interventions within the Police, Fire and Crime Plan, which was launched on 8th January 2025. The vision for our plan is 'Protecting Cumbria'. We want people in Cumbria to feel safe, protected and secure in their own homes and in their communities. There are five key priorities identified in the Plan, which have been developed by taking into account local concerns and national requirements:

- Putting People First.
- Providing Visible and Accessible Services.
- Protecting Vulnerable People and Communities.
- Focusing on Prevention to Protect Cumbria.
- Making Best Use of Resources.

For each priority there are a set of objectives, some of which are police specific and others that focus on the Commissioner and Chief Constable working alongside partner organisations to keep communities safe, while supporting victims and bringing offenders to justice.

We work to achieve this by holding the Chief Constable to account for the delivery of effective policing and by commissioning a range of activity and interventions with the Constabulary and our wider partners.

The Commissioner works closely across a range of partner agencies in Cumbria to deliver against identified areas of business best achieved through a partnership approach. As Chair of the Safer Cumbria Partnership the Commissioner provides a convening and assurance role in relation to the Criminal Justice System, Combatting Drugs, the Serious Violence Duty and Contest (Counter Terrorism). This is in line with national direction and statutory guidance.

Our People

Our people are the most important resource we have in achieving our goals. Our values commit to having an empowered staff who are high performing, professional and have high levels of satisfaction in their roles. The Commissioner's Office and Constabulary perform well in relation to the gender diversity of the workforce. At Chief Officer Level, excluding the elected Police, Fire and Crime Commissioner, 50% of the single entity Chief Officers are male as are 33% of senior managers.

A breakdown by gender of the number of men and women across the organisation at the end of the financial year and the number of men and women who were managers is set out below.

Actual Employees as at 31 March 2026	PFCC Male FTE	Female FTE	Total FTE
PFCC Single Entity			
Chief Officers	1.0	1.0	**2.0**
Senior Management	2.0	4.0	**6.0**
All Other Employees	13.6	21.0	**34.7**
Total PFCC Employees	**16.6**	**26.0**	**42.7**
Group			
Chief Officers	12.0	3.0	**15.0**
Senior Management	10.0	10.0	**20.0**
All Other Employees	1,009.7	1,065.9	**2,075.5**
Total Group Employees	**1,031.7**	**1,078.9**	**2,110.5**

Chief Executive Report

This is the second year of the Commissioner's term of office.

The Commissioner also holds the role of Cumbria Commissioner Fire and Rescue Authority following the transfer of Fire governance due to Local Government Reorganisation in 2023. The Fire and Rescue Authority produce their own set of accounts and are not part of the OPFCC/Constabulary group.

During the year the Commissioner has continued to deliver on his first Police, Fire and Crime Plan with the support of the Constabulary and partners. This has helped establish effective relationships with key local government, criminal justice, health and third sector partners to develop initiatives and commission activities to reduce crime, support victims and enhance community safety and criminal justice.

The Police, Fire and Crime Plan contains the police and crime objectives, which all contribute toward achieving the Commissioner's overall aim of 'Protecting Cumbria'. Objectives are monitored internally by the Commissioner through his overarching Executive Board - Police. In addition, the Commissioner holds quarterly Public Accountability Conferences; a public meeting where he holds the Chief Constable to account.

The Commissioner has continued to provide a range of services in support of victims of all crime.

The multi-crime victim support contract, incorporating integrated domestic abuse (DA) and sexual violence (SV) services, represents a strategic shift towards a more efficient, equitable and victim-centred commissioning model. By bringing together previously fragmented services into a single, coordinated system, the approach has reduced duplication, streamlined access, and ensured a consistent standard of support across all crime types. Crucially, the model retains and embeds specialist provision for high-harm areas such as domestic abuse and sexual violence, while enabling a more joined-up, trauma-informed response to complex and overlapping victim needs. This "no wrong door" approach improves outcomes by ensuring victims can access support quickly, are not required to navigate multiple systems, and benefit from continuity of care throughout their journey. From a value-for-money perspective, integration has strengthened partnership working, improved system efficiency, and maximised the impact of available funding, while delivering a more responsive and resilient service offer that meets the needs of victims of all crime.

Over the past year, the introduction of Calendly (since April 2025) has enhanced accessibility to victim support services by enabling individuals to book appointments at times that suit their needs. This has been well received, with positive feedback highlighting the flexibility and convenience offered. In total, 91 individuals have used the system to self-schedule appointments, demonstrating improved engagement and a more user-centred approach to accessing support.

Victim Support's self-help tools provide accessible, flexible resources that enable individuals to manage aspects of their recovery and navigate the criminal justice process at their own pace. These tools include online guides, safety planning resources, emotional wellbeing support, information on rights and processes, in addition to the digital self-referral and Calendly systems.

For victims of crime, the benefits are significant: they offer immediate access to support without waiting for practitioner contact, increase choice and control over how and when support is accessed, and help individuals build confidence, understanding, and resilience. Self-help tools also complement formal services by enabling earlier engagement, supporting ongoing recovery between interventions, and ensuring that victims who may be reluctant or unable to access traditional services can still receive appropriate support. Overall, the self –help tools contribute to a more inclusive, responsive, and victim-centred support system.

Victim Support also assist with police training providing insight into the lived experience of victims, helping officers better understand the impact of crime and the importance of trauma-informed practice. By contributing real perspectives, the service supports the development of more empathetic, consistent, and victim-centred policing, improving communication, safeguarding, and overall case handling. This leads to increased victim confidence, stronger engagement with investigations, and better outcomes, while also supporting the police to meet their responsibilities under the Victims' Code and wider criminal justice standards.

The service maintain independence while working collaboratively with police and statutory partners, ensuring they can advocate solely in the best interests of victims and provide impartial, confidential support throughout the justice process.

Alongside the universal support, the service deliver a comprehensive offer that includes specialist roles such as Independent Victim Advocates (IVAs), Independent Domestic Violence Advisers (IDVAs) — including dedicated provision for male victims and health-based IDVA roles — Independent Sexual Violence Advisers (ISVAs), Child IDVAs (CHIDVAs), and Independent Stalking Advocacy Caseworkers (ISACs), ensuring both specialist expertise and accessible, inclusive support for all.

The Ministry of Justice (MoJ) allocation to the OPFCC for victim services funding provides a critical investment in delivering a comprehensive, accessible, and victim-centred support framework across the area. This funding enables the commissioning of both the universal and specialist services, ensuring victims of all crime can access timely support, while maintaining dedicated provision for high-harm areas such as domestic abuse and sexual violence. Through this allocation, the OPFCC can strengthen local service capacity, drive improved outcomes for victims, and support a coordinated, trauma-informed response across the criminal justice system and wider partnerships.

During 2025/26 the funding supported innovation, performance monitoring, and system improvement, ensuring resources were targeted effectively to meet demand, reduce harm, and enhance the overall quality and impact of victim support services.

The continued provision of the **Male IDVA role,** delivered by Victim Support, has strengthened the inclusivity and accessibility of specialist support, ensuring that male victims receive timely, trauma-informed intervention. This role improves early identification of abuse, enhances safeguarding, and provides tailored advocacy that supports victims to access appropriate services and engage with the criminal justice system. Overall, it contributes to a more responsive and equitable support offer, improving outcomes for underrepresented victims and strengthening the wider system response to abuse.

The Freedom Project deliver accessible, non-judgemental and trauma-informed support that enables victims to cope and recover from abuse while improving their safety and long-term outcomes. The service provides a women-centred, empowerment-focused approach, offering tailored support plans that address risk, reduce vulnerability, and tackle wider needs such as housing, health, relationships, and financial stability. Through strong multi-agency partnership working, coordinated responses, and improved access to specialist services, the project strengthens safeguarding, reduces the likelihood of repeat victimisation, and supports a more effective and preventative system response to VAWG.

Funding Women's Community Matters (WCM) delivers dedicated, trauma-informed support to victims of domestic abuse and sexual violence through a skilled workforce. The service provides accessible, non-judgemental and women-centred support, tailored to diverse needs and focused on empowerment, safety, and recovery. Through coordinated multi-agency working, individual support planning, and improved access to wider services, WCM helps address the underlying factors associated with abuse, reduce the risk of repeat victimisation, and support increased engagement with the criminal justice system. The funding has also strengthened service capacity, reduced waiting times, and improved data and performance understanding, contributing to a more effective and responsive system-wide approach to tackling VAWG.

Gateway4Women (G4W) contributes to the reduction of Violence Against Women and Girls (VAWG) by providing accessible, trauma-informed and women-centred support that enables earlier intervention, improves safety, and supports long-term recovery. Through integrated, holistic services addressing housing, health, relationships, and financial needs, the programme reduces vulnerability to repeat harm and helps break cycles of abuse. In addition, strengthened multi-agency coordination and increased engagement with the criminal justice system support greater perpetrator accountability, while preventative interventions reduce demand on frontline services. Overall, the funding delivers both immediate protection and longer-term prevention, improving outcomes for women and strengthening the system response to high-harm crimes affecting women & girls.

Funding **Safety Net expands** access to trauma-informed therapeutic support, enabling more victims to cope, recover, and stabilise their lives following abuse. Investment in additional practitioner capacity has increased the number of victims supported, reduced waiting lists, and ensured more timely access to services, including support for those engaged in pre-trial processes. Through improved wellbeing outcomes, stronger engagement with the criminal justice system, and increased access to wider support services, the programme reduces vulnerability to repeat victimisation and strengthens a more effective, preventative, and victim-centred response to gender-based harm & victimisation.

Providing funding to **The Birchall Trust** ensures therapeutic support is available in the south of the county. Investment in specialist practitioner capacity has improved the timeliness and availability of support, including for those navigating pre-trial processes, while strengthening the management of waiting lists and caseloads. Through improved wellbeing outcomes, increased access to wider support services, and enhanced engagement with the criminal justice system, the programme reduces vulnerability to repeat victimisation and supports a more effective, responsive, and victim-centred approach to tackling VAWG.

Collectively, funding to G4W, WCM, The Freedom Project, Safety Net and The Birchall Trust has strengthened the local response to violence and abuse against women and girls by delivering accessible, trauma-informed and specialist support at scale. Together, these services have improved early intervention, increased access to timely and appropriate support, and enhanced victims' ability to cope and recover, while reducing waiting lists and supporting safer case management. Through coordinated partnership working and improved engagement with the criminal justice system, the investment has helped reduce repeat victimisation, increase perpetrator accountability, and address underlying vulnerabilities. Overall, this funding has delivered both immediate protection and longer-term prevention, contributing to a more effective, integrated and sustainable system response to violence and abuse impacting women and girls.

There are well established financial and governance frameworks in place to fulfil statutory, regulatory and best practice requirements, supported by the relevant professional bodies for local government and policing. This benefits from continuous development to ensure the office continues to meet the highest standards.

Public consultation and engagement are paramount to the Commissioner as he is the 'voice' for the people of Cumbria for policing. A wide range of diverse opportunities are available for the public to speak directly to the Commissioner, when the Commissioner is out in the community or by speaking to groups directly. This is further supported by the public contacting the Commissioner directly, with 1207 people contacting the Commissioner in this way during 2025/26. The main themes raised in this year were in relation to police service dissatisfaction, anti-social driving and ongoing crime.

The Commissioner undertook a successful public consultation for the increase in the council tax precept for 2025/26, with 1127 respondents and 63% supporting the proposal. As a result of the public consultation, the views of the Chief Constable and the unanimous support of the Police, Fire and Crime Panel, the Commissioner took the decision to increase council tax precept by £9.30 for a Band A property and £13.95 for a Band D property.

The Commissioner has continued to hold the Chief Constable to account at regular Public Accountability Conferences and weekly 1-2-1s as well as embedding an internal accountability and governance structure, including monthly Executive Board – Police meetings with the Chief Constable and the Chief Officer team which scrutinises and challenges performance across the totality of policing.

The Commissioner receives further assurance from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and internal and external auditors, which all independently assess the effectiveness and efficiency of the Constabulary across a wide range of areas, such as their governance, financial and risk management internal controls. In conjunction with the Constabulary, the Commissioner also operates a Joint Audit Committee and a Community Scrutiny Panel. These meetings provide assurance on the adequacy and effectiveness of internal arrangement across both organisations such as financial and risk management as well as ensuring high standards of integrity and ethical behaviour.

When areas of concerns are raised through these independent boards, they are escalated to the Commissioner's Executive Board – Police, which provides further scrutiny and oversight, ensuring actions are delivered to improve performance.

The Commissioner's staff embrace the fast-moving pace of the Office and this is evident from the work that is on-going with the Commissioner launching several key strategic campaigns in support of the new Police, Fire and Crime Plan and his commissioning strategy. In addition, work continues to explore opportunities for collaboration between blue light services, with a view to increasing efficiencies for both Cumbria Constabulary and Cumbria Fire & Rescue Service. Extensive work is now underway to transfer the Office and Constabulary to the Mayoral Strategic Authority form May 2027.

Finance Review

2025/26 Grant Settlement and Budget

The Commissioner set a combined net revenue budget of £141.785m for 2025/26 on 13 February 2025. Funding of this amount came from the Police Grant settlement (£80.049m) and income from Council Tax (£61.736m). The budget represented an increase of the Council Tax precept by 4.5%, taking the Commissioner's proportion of the band D equivalent tax to £324.00 per annum. The effect of the increase is to support the medium term financial forecast and maintaining existing policing services through a period of higher inflationary pressures. The budget provided net funding for the Chief Constable of £166.144m comprising a £171.545m expenditure budget to support policing and an income budget of (£5.401m). The Commissioner's budget provided £2.980m for Commissioned Services, to provide funding for partnership working across the Commissioner's wider community safety, crime reduction and victim support responsibilities and £1.038m for the Office of the Police, Fire and Crime Commissioner.

The capital budget was set at £4.885m including schemes approved in the year and the effect of the 2024/25 capital outturn position. Capital expenditure is made up broadly of expenditure on assets that have a useful life of beyond one year. Approximately 45% of the programme related to investment in ICT, with the remainder being made up estates works, the cyclical replacement of fleet vehicles and operational equipment. The budget was funded from a combination of Revenue Contributions (£0.402m), reserves (£0.397m) and a borrowing requirement (£4.086m).

The table below shows the summary revenue budget for 2025/26 as set on 13 February 2025, the revised budget (taking into account budget changes made during the year) and the outturn position. The presentation below is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table below will not reconcile directly to the Summary Comprehensive Income and Expenditure statement on page 16.

Summary Budget and Outturn

Summary Budget & Outturn	Base Budget 2025/26 £000s	Revised Budget 2025/26 £000s	Outturn 2025/26 £000s	(Under)/ Overspend 2025/26 £000s
Constabulary Budget	166,139	165,773	165,088	(685)
Office of the PFCC	1,511	2,710	2,706	(4)
Other PFCC Budgets	11,590	12,335	13,149	814
Grants/Contributions	(34,684)	(37,087)	(37,202)	(115)
Net Expenditure before reserves movements	**144,556**	**143,731**	**143,741**	**10**
To/(From) Reserves	(2,771)	(1,946)	(1,946)	0
Net Expenditure	**141,785**	**141,785**	**141,795**	**10**
Government Grants	(80,049)	(80,049)	(80,049)	0
Council Tax	(61,736)	(61,736)	(61,736)	0
Total External Funding	**(141,785)**	**(141,785)**	**(141,785)**	**0**

The Constabulary gross expenditure budget is made up of funding for employee costs, amounting in total to £148.227m, which is broken down into Police Officers £115.302m, PCSOs £2.054m, Police Staff £30.871m and other employee costs of £2.249m. The remainder of the budget relates to non-staff costs including, transport costs of £2.782m and supplies/other costs of £18.287m. Income of (£5.401m), which is generated through policing activities, is also shown within the Chief Constable's budget.

The Commissioner's budgets comprise of the costs of running his office £1.038m and the net position on a range of other costs. These include estates costs £5.574m for premises used by the Constabulary and Commissioner, Commissioned Services and Sexual Assault support £2.980m to deliver the Police, Fire and Crime Plan and budgets to finance capital expenditure and the costs of technical accounting adjustments. PFCC other budgets also include the costs of insurance and past pension costs.

In-Year Financial Performance

Revenue Expenditure: The out-turn position for 2025/26 is an over spend of £0.010m. The overall overspend is made up of an overspend of £0.695m on the budgets managed by the Commissioner, primarily in relation to amounts set aside for insurance and legal liabilities, and underspend of £0.685m on those held by the Constabulary. The core overspend equates to 0.01% of the revised net budget of £141.785m, which is within the target for the revenue expenditure to be within 1% of the budget at out-turn.

In overall terms budgets managed by the Commissioner were (£0.695m) over budget. This was largely attributable to a combination of by increased costs of insurances and legal provisions of £1.572m, and underspends on commissioned services of £0.351m, and estates of £0.357m.

In 2025/26 the Constabulary was £0.685m under budget. The officer pay budget was overspent by £0.332m because of changes to the workforce plan and a conscious decision to recruit additional uplift officer targets asap to secure additional specific grant from the home office. There were underspends on other employee budgets (£0.071m), supplies and services (£0.100m) and additional income of £0.906m.

The Commissioner maintains the Property Fund which is a short-term diversionary funding opportunity for community organisations across Cumbria. The budget for the fund is determined by the accumulation of property coming into the possession of the police under the Police Property Act 1987 and the Powers of the Criminal Courts Act 1973.

The Commissioner in 2025/26 once again promoted his Community Fund, a separate short-term diversionary funding opportunity for community organisations across Cumbria. This shares similar values and expectations to the Property Fund, but the available funding is generated from the OPFCC Commissioning Budget and not from disposal of property coming into the possession of the police. During 2025/26 awards totalling £0.121m were made to 52 applications.

The 2025/26 Capital Expenditure Outturn amounted to £4.391m against a revised budget of £6.760m, the variance represents reprofiling of capital schemes into future years.

The Financial Statements

This section of the narrative report provides an explanation of the various parts of the financial statements alongside a high-level summary and narrative on the financial position. The aim of the statements are to demonstrate to the reader the overall financial position of the Commissioner at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Commissioner's website.

The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)
- The Police Officer Pension Fund Accounts

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the cost of policing and other services provided in the year and the income from government grants and council tax that fund those services. The CIES is shown on page 44 of the full statement of accounts. An expenditure and income analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in note 6 on page 62.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2025/26 £000s	Gross Income 2025/26 £000s	Net Expenditure 2025/26 £000s
Cost of Police Services	151,016	(29,961)	121,055
Cost of Services	**151,016**	**(29,961)**	**121,055**
Other Operating Expenditure	14,146	(14,100)	46
Financing Costs and Investment Income	63,676	(13,793)	49,883
Council Tax and Grant Income	0	(145,464)	(145,464)
(Surplus)/Deficit on the Provision of Services	**228,838**	**(203,318)**	**25,520**
Other Comprehensive Income and Expenditure			(51,986)
Total Comprehensive Income and Expenditure			**(26,466)**

The statement shows that the net cost of providing services in the year amounted to £121.055m, which is predominantly the costs of policing.

In addition to showing the cost of services, the CIES also sets out net financing costs of £49.883m. The most significant element of financing costs comprise pension charges £50.668m. These charges are calculated in accordance with generally accepted accounting practices and do not all need to be funded in the 2025/26 financial year. Financing costs also include the costs of borrowing (capital financing) (£0.493m) which relates to the financing of the PFI at Workington and income from investing (£-1.278m).

This is because the capital programme is funded internally using cash reserves to reduce investment risk and reflect the relatively low interest rates available on investing such balances, although it is recognised that this may change given the recent increases to interest rates. At the end of the financial year £22.337m (inclusive of PFI contract and Finance Leases) of the capital programme is funded using cash backed internal reserves rather than borrowing from the open market. At some point in the future, due to a planned reduction in reserves, the Commissioner will need to consider external borrowing.

Showing expenditure and income within this statement in accordance with generally accepted accounting practices results in expenditure exceeding income (a deficit on the provision of services) by £25.520m.

Further 'Statutory Accounting' adjustments in relation to the revaluation of land and buildings and actuarial changes on the pension schemes of (£51.986m) classed as income through the 'other comprehensive income and expenditure' line results in an overall position on the statement of a surplus of (£26.466m). This is an accounting deficit that is taken to Unusable Reserves. Page 13 of this summary sets out the out-turn position based on the management accounts and excluding the technical accounting entries required for the CIES. The management accounts show an overspend of £0.010m against the 2025/26 budget.

Movement in Reserves Statement

This statement shows the different reserves held by the Commissioner. These are analysed into 'Usable Reserves' and 'Unusable Reserves'. Usable reserves can be used to fund expenditure. They may help to pay for future costs or reduce the amount we need to raise in council tax to meet our expenses. Unusable Reserves are principally technical accounting adjustments. The Movement in Reserves Statement shows the opening balance on all reserves at the start of the year, movements in year and the closing balance. The Movement in Reserves statement is shown on page 46 in the full statement of accounts. The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2025 £000s	Movements 2025/26 £000s	Balance 31/03/2026 £000s
Police Fund	4,000	800	4,800
Earmarked Revenue Reserves	23,458	(2,474)	20,984
Earmarked Capital Reserves	294	(294)	0
Capital Receipts	1,524	(1,524)	0
Total Usable Reserves	**29,276**	**(3,492)**	**25,784**
Unusable Reserves	(921,982)	29,588	(892,394)
Total Reserves	**(892,706)**	**26,096**	**(866,610)**

Movements in usable reserves for 2025/26 show a net balance of £3.492m. This is the cumulative position recording the amounts we have drawn down from and contributed to specific (earmarked) reserves to help fund expenditure during the year. There are separate accounts to record our receipt and use of income from the sale of property and government grants for capital expenditure.

At the end of the year, the Police Fund at 31 March 2026 stands at £4.8 and provides for unplanned financial risks. Earmarked revenue reserves are £20.984m. These reserves provide for a number of specific operational contingencies, one off budget/project costs and funding to meet future liabilities in respect of insurances and the PFI contract. The balance of capital reserves as at 31 March 2026 was nil, capital reserves are those set aside to fund the capital programme. Further detail on earmarked reserves is provided within note 8 to the statement of accounts on pages 67-68.

At the 31st March 2026 we have negative unusable reserves of (£892m). Unusable reserves provide a mechanism through which transactions are entered into the accounts in accordance with accounting standards. They also provide the means to manage differences in the timing and calculation of those transactions and the actual expenditure or income we need to charge to our accounts. For example, our properties are regularly re-valued. When this happens any increase in their value is shown in a revaluation reserve. The reserve 'records' the additional income we may receive when the property is sold, but it is 'unusable' until we decide to dispose of the property and achieve a sale. When we sell, the revaluation reserve will be reduced by any increase in value that was recorded before sale. The actual income we receive will be shown in our usable capital receipts reserve, where it can be used to fund new capital expenditure. The balance on our unusable reserves reflects the position following the required accounting transactions. The cumulative position for unusable reserves includes reserves of:

- £32.153m in respect of the revaluation reserve and capital adjustment account, recording accounting transactions for our capital assets.
- (£949m) in respect of negative pensions reserves. The pensions reserves record accounting transactions for the Police and Local Government Pension Schemes and recognise the future liabilities under the pension schemes. Unlike the LGPS, the police pension schemes are ‘unfunded’ meaning that the do not have any assets that have been built up to meet future liabilities, for this reason, the police pensions scheme carry a large liability of £975m. The change in the balance on these reserves in 2025/26 is negative and is as a result of changes in actuarial assumptions that have decreased scheme liabilities.

The Balance Sheet

The balance sheet shows the value as at the balance sheet date (31 March 2026) of the Commissioner's assets and liabilities. The balance sheet is shown on page 48 in the full statement of accounts. The table below sets out a summary balance sheet.

Balance 31/03/2025 £000s	Summary Balance Sheet	Balance 31/03/2026 £000s
79,570	Property, Plant & Equipment	82,693
1,350	Other Long Term Assets	27,590
26,508	Current Assets	25,623
(15,431)	Current Liabilities	(22,094)
(984,703)	Long Term Liabilities	(980,422)
(892,706)	**Net Liabilities**	**(866,610)**
29,276	Usable Reserves	25,784
(921,982)	Unusable Reserves	(892,394)
(892,706)	**Total Reserves**	**(866,610)**

The balance sheet shows property, plant and equipment assets, which include the Commissioner's estate, fleet of vehicles and ICT/communications equipment, with a value of £82.693m. Of this, land and buildings comprise £69.314m. Long terms assets are comprised of the Commissioner's share of the LGPS pension surplus £26.393m, intangible assets (predominantly computer software) £0.750m and investment properties £0.447m. Current assets are principally made up of debtors £17.9758m, inventories £0.684m and cash/cash equivalents £2.785m and have a total value of £25.623m. Investments are made in accordance with the Commissioner's treasury management strategy and support the management of reserves and cash flows.

Debtors' balances (held with in the Current Assets total on the summary balance sheet) are primarily made up of institutional debtors, for example central government, and prepayments. This means that the risk of not receiving the debt remains low. The Commissioner has a good collection record in respect of debtor invoices raised for services provided. During 2025/26 invoices totalling £15,931 were authorised to be written off as not collectable. The provision for impaired or doubtful debts stands at £13,214 against the future risk that not all outstanding invoices will prove to be 100% collectable, this figure is reduced from the previous year of £16,307. The Commissioner's debtors include a share of the debtors recorded by the two Unitary Council's in respect of council tax. This debt amounts to £6.425m and is reduced by the Commissioner's share of their respective bad debt provisions of £3.105m. See note 14 to the statement of accounts (Page 77).

Balance sheet liabilities are amounts owed by the Commissioner. They include creditors, PFI debt, pensions and finance lease liabilities. They are split between short term (current) and long term liabilities, the current liabilities being those amounts due to be paid within 1 year. The most significant element of current liabilities are short term creditors which total (£18.883m).

The liability in respect of the PFI scheme amounts to (£3.064m) at 31st March 2026, this is now all classed as a short-term, recognising that the PFI arrangement ends in August 2026. Long term liabilities are the most significant figure on the balance sheet, showing a balance of (£954m) ((£985m) in 2024/25). The main element of this amount is a pension's deficit of (£949m) ((£978m) in 2024/25) for the Local Government Pension Scheme (LGPS) and the Police Pension Scheme. However, this deficit will be funded over a number of years, with financial support from Central Government, meaning that the financial position of the Commissioner remains healthy.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash held in bank accounts and changes in Money Market funds. Money Market funds are an alternative way of depositing cash to earn interest. The cash can be withdrawn from the fund without having to give notice and they are therefore referred to as cash equivalents.

The statement shows how the Commissioner generates and uses cash and cash equivalents. Cash flows are classified within the cash flow statement as arising from operating activity, investing activity and financing activity. The statement is shown on pages 49-50 of the full statement of accounts. The table below sets out a summary cash flow statement.

Cash flows 2024/25 £000s	Summary Cash Flow Statement	Cash flows 2025/26 £000s
(5,136)	**Cash & Cash Equivalents 1 April**	**(4,354)**
	Net Cash Flow from:	
(5,515)	Operating Activity	(5,167)
5,864	Investing Activity	6,237
433	Financing Activity	499
(4,354)	**Cash & Cash Equivalents 31 March, made up of:**	**(2,785)**
(1,843)	Bank Accounts	(1,796)
(2,511)	Money Market Funds	(989)

The table shows a cash outflow of £5.167m from operating activity. This is the net of our cash income including government grants, council tax and charges for services, less how much cash has been paid out, for example for salaries and goods that have been purchased. Cash flows from investing activity show an outflow of £6.237m and primarily represents the net balance of investment deposits less the amount of cash received when the investment comes to the end of its term. Investment activity provides a way to manage resources that will be used to fund future expenditure, earning interest on any balances. Investment activity also includes cash flows from the purchase and sale of capital assets (e.g. property). Cash flows arising from financing activities show a net cash inflow of (£0.499m), this being amount of cash repaid in relation to financing and borrowing. The Commissioner has no borrowing other than that which relates to finance leases and the PFI agreement. An amount of £338k was paid to reduce those debts during the year.

The Commissioner's cash flow statement shows an overall balance of (£2.785m), compared to (£4.354m) in 2024/25, reflecting a decrease in cash and cash equivalents of £1.569m over the year. At the end of the year (£0.989m) of the Commissioner's cash deposits was held in money market funds and (£1.796m) in banks.

Police Officer Pension Fund Account

This statement sets out the transactions on the police officer pension fund account for the year. The statement records all the contributions that have been made during the year to the pension fund. 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. These are either transferred contributions, where members join the Constabulary and pension scheme during the year, through transfer from another police force, and transfer in their existing pension benefits. Other contributions also include additional payments made by the employer to cover the cost of ill-health retirements. The fund records the pensions (benefits) that are paid out of the fund to its members. Any difference between the contributions received into the fund and the amount being paid out is met by Home Office grant. This means the police pension fund always balances to nil.

Pension Fund 2024/25 £000s	Summary Police Pension Fund	Pension Fund 2025/26 £000s
(19,923)	Contributions - Employer	(21,104)
(7,731)	Contributions - Officers	(8,158)
(191)	Contributions - Other	(764)
44,183	Benefits Payable	44,085
102	Other Payments	87
16,440	**Net Amount Payable**	**14,146**
(16,440)	Contribution from Home Office	(14,146)
0	Net Amount Payable	0

The statement identifies contributions into the fund of (£21.104m) from the Constabulary (employer) and (£8.158m) from police officers. Employer contribution rates in 2025/26 were at 35.3%. In total £44.085m of pensions have been paid out of the fund. The balance between contributions and those pensions' benefits of £14.146m has been funded by Home Office. The full police officer pension fund account is shown on pages 99 to 100 of the financial statements accompanied with a page of explanatory notes.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements. 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 Police, Fire and Crime Commissioner and the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

Business Review

During 2025/26, the Commissioner has continued with several programmes and initiatives working with the Constabulary and wider partners to deliver the key priorities within the Police, Fire & Crime Plan.

The Commissioner has a statutory responsibility to co-commission Sexual Assault Referral Centre (SARC) services alongside NHS England, ensuring the provision of high-quality support for victims of rape and sexual assault, including access to forensic medical examinations, crisis intervention, and ongoing emotional and practical support, regardless of whether victim / survivors choose to engage with the criminal justice system. Locally, this is delivered through **The Bridgeway SARC**, with service provision managed by Mountain Healthcare, a specialist provider of forensic and healthcare services. This partnership ensures victims receive timely, trauma-informed care in a safe and supportive environment, while maintaining clinical excellence, evidential integrity, and clear integrated pathways into support services.

It is the Integrated pathways which strengthen The Bridgeway model with seamless, coordinated care beyond the initial crisis response, ensuring strong collaboration between health services, victim support ISVAs, and therapeutic care providers Safety Net, The Birchall Trust, and safeguarding partners. Together, this approach enables a continuous, tailored care pathway that supports recovery, improves access to specialist services, enhances safeguarding, and reduces the need for victims to navigate complex systems alone, resulting in more consistent outcomes and a strengthened, system-wide response.

The Commissioner has continued to work in partnership with the Northwest Probation Service (NWPS) to co-commission **Restorative Justice (RJ) and mediation services**, recognising the value of a coordinated, rehabilitative approach. This joint commissioning arrangement enabled the extension of the 2022 - 2025 contract into year 4, ensuring continuity of service delivery by Remedi. The extension maintains access to high-quality RJ and mediation services, supporting victims to have a voice and achieve resolution, while contributing to improved rehabilitation outcomes and reduced reoffending across the criminal justice system.

Pathways is Cumbria's Integrated Offender Management (IOM) adult out-of-court disposal pathway, designed to provide a structured, rehabilitative alternative to prosecution for eligible low-level offending, while addressing the underlying causes of offending behaviour.

Within the IOM framework, Pathways brings together police, and local partners to deliver a coordinated, multi-agency response. Individuals diverted into Pathways are required to engage with a tailored programme of interventions, which may include support with substance misuse, mental health, housing, employment, finance, and relationships. The approach focuses on early intervention, behaviour change, and reducing reoffending, rather than solely punitive measures.

A key strength of Pathways is its problem-solving, person-centred model, where offenders are held accountable for their actions while being supported to address the factors driving their offending. Through close case management and partnership working, the pathway aims to reduce demand on the criminal justice system, prevent escalation into more serious offending, and improve long-term outcomes for individuals and communities.

Due to the consistently high non-reoffending rates achieved by individuals engaged in the Pathways programme, the Commissioner extended the contract with Remedi Restorative Solutions in 2025/26 into a fifth year. This extension reflects confidence in the effectiveness of the model, its contribution to reducing reoffending and demand on the criminal justice system, and its role in delivering positive, long-term outcomes for individuals through a rehabilitative, partnership-based approach.

Turning the Spotlight (TTS), commissioned by the OPFCC through a competitive procurement process and delivered by Victim Support, has now completed its first year of delivery, demonstrating its value as an innovative whole-family intervention. The programme works with individuals who have caused harm as well as victims and their families, adopting a holistic, trauma-informed approach that addresses underlying drivers such as relationship dynamics, communication, and wider vulnerabilities, while promoting accountability and behaviour change.

End of year performance highlights strong engagement and positive outcomes, including improved emotional awareness, strengthened family relationships, and enhanced victim safety and recovery. Insightful perpetrator feedback gathered through evaluation forms evidence meaningful behaviour change, while case studies demonstrate the benefit of the service not only for individual victims but also for their wider families.

Overall, TTS contributes to reducing repeat harm, strengthening multi-agency working, and delivering improved long-term outcomes for individuals, families, and communities.

Service user Quote:

"'The programme assists with identifying your own red flags, challenges any negative or 'manly' views a man could have on relationships, and helps understand what is healthy and what is not. The most useful part of the course were the exercises where we had to provide examples from our relationship and identify what could be improved and try to look at it from the other party's perspective. This was difficult at times as I was often quick to point blame at my partner, but with time I have realised that I, myself have flaws and accepting and owning up to them will be the only thing that will make me a better partner.

I believe this course should be a requirement in all schools/colleges across the country. Unsure when, what age, etc, but it should be something the current government geniuses should consider educating the youth on. With the influence of people such as 'Andrew Tate' and other 'Alpha Male' gurus, it is increasingly hard for young men to navigate throughout life and have a healthy outlook on relationships and women in general".

The roll-out of the **Drive partnership** in Cumbria towards the end of 2025/26, made possible through Home Office funding, represents a significant enhancement to the local response to domestic abuse. This investment has enabled the introduction of an evidence-based, multi-agency model focused on managing and changing the behaviour of high-harm perpetrators through intensive case management and coordinated intervention across police, probation and support services. By addressing the root causes of abuse while ensuring parallel support for victims, the programme strengthens perpetrator accountability, reduces repeat victimisation and complements existing victim services, contributing to a more preventative and system-wide approach to tackling domestic abuse.

The Cumbria roll-out aligns with national expansion plans, with the Home Office investing in extending Drive to new areas by 2026 to improve victim safety and reduce repeat harm.

In practice, the programme works by:

- Challenging and changing perpetrator behaviour through structured, tailored interventions
- Using disruption and enforcement tactics (e.g. protection orders, monitoring) alongside support
- Addressing underlying drivers of abuse such as substance misuse, mental health, housing instability, and relationship dynamics
- Ensuring parallel support for victims (typically through IDVAs), prioritising safety at every stage

Evidence from the programme shows significant reductions in abusive behaviours, including large decreases in physical, sexual, and controlling behaviours, demonstrating its effectiveness in preventing repeat victimisation.

Also drawing on funding from the Home Office, **Operation Enhance** has supported a targeted, data-led approach to tackling anti-social behaviour (ASB) and serious violence in Cumbria's identified hotspot areas, for the second year. delivering positive outcomes for community safety.

The investment has enabled increased high-visibility patrols, enhanced partnership activity, and focused problem-solving interventions in locations with the highest levels of harm. As a result, Cumbria has seen improvements in public confidence, reduced incidents of ASB and violence in targeted areas, and strengthened collaboration between police, local authorities, and community partners. Overall, the programme has contributed to safer public spaces, earlier intervention, and a more proactive, preventative approach to reducing crime and disorder across the county.

Extended Safer Streets funding supported a collaborative delivery model between Remedi and The Well Communities, known as **Restorative HOPE,** to provide assertive outreach services to young people in priority anti-social behaviour (ASB) areas. The Commissioner added to Home Office funding from 1 April 2025 to 30 September 2025 to ensure continuity of delivery. This sustained investment enabled ongoing targeted engagement with vulnerable and at-risk individuals, combining high-visibility activity, early intervention, and partnership-led problem solving in hotspot locations. Through a focus on positive diversion and addressing underlying causes of ASB, the programme reduced associated harm, prevented escalation into more serious offending, and contributed to safer, more resilient communities across Cumbria.

Pooled funding with Cumberland, Westmorland & Furness Councils for crime prevention advice and target hardening known as **Keep Safe** supports practical, timely interventions that enhance the safety and security of victims of serious crime. The scheme provides tailored crime prevention guidance alongside physical security measures such as improved locks, alarms, and home adaptations, helping to reduce the risk of repeat victimisation and increase victims' confidence and sense of safety. Through a coordinated partnership approach, Keep Safe strengthens early intervention, supports recovery, and delivers a preventative, victim-centred response that reduces demand on policing and wider public services.

Pooling funding in this way ensures better coordination of services, efficient use of funding, stronger partnership working & improved outcomes for victims through joined up provision. The result is a single integrated service rather than fragmented support.

The Commissioner has supported the delivery of **Operation Encompass**, ensuring that timely information sharing between police and schools remains in place where children are exposed to domestic abuse. This funding has enabled schools to receive prompt notifications, allowing staff to provide early, targeted support to affected children, improving safeguarding, wellbeing, and engagement with education. By strengthening partnerships working between policing and education settings, the programme helps mitigate the immediate impact of domestic abuse on children, supports earlier intervention, and contributes to breaking cycles of harm. Funding of Operation Encompass enhances the system's response to vulnerability, improving outcomes for children and young people while supporting prevention at an early stage & will from 2026/27 become a statutory funding requirement of the constabulary.

The **Force Control Room (FCR) IDVA pilot**, delivered by Victim Support, has demonstrated significant value in enhancing real-time safeguarding through the embedded presence of specialist advocates within the police control room. During Q4 2025/26, the service monitored 447 high-risk incident logs, offered direct support to 291 victims, and saw a marked improvement in police engagement, with 75% of IDVA input acknowledged.

Despite not receiving Raneem's Law funding from the Home Office, the Commissioner pursued this pilot as an innovative approach to early intervention, recognising the opportunity to embed specialist expertise at the first point of contact within policing. This has enabled earlier identification of risk, improved information-sharing, and more timely safeguarding actions, particularly in complex cases involving domestic abuse, stalking, coercive control, and sexual violence.

The pilot has led to increased referrals into specialist support services, improved victim engagement, and strengthened multi-agency responses, while also evidencing preventative impact through early escalation and intervention.

This initiative demonstrates how targeted innovation in frontline policing environments can reduce harm, improve outcomes for victims, and support a more proactive and responsive system approach to safeguarding.

Continuing to provide funding for **Crimestoppers** supports a vital anonymous reporting service that enables members of the public to share information about crime safely and confidentially. This investment helps to increase the flow of intelligence to the constabulary, particularly in relation to hidden and underreported crimes such as domestic abuse, exploitation, and serious organised crime. By removing barriers to reporting, Crimestoppers empowers communities to play an active role in keeping themselves safe, while supporting early intervention and disruption of criminal activity. Overall, this funding enhances public confidence, strengthens partnership working, and contributes to the prevention and reduction of crime and harm across the region.

The Commissioner's financial contribution to the **Rural Crime Team**, alongside the joint development of the Rural Crime Strategy, has strengthened the coordinated response to crime affecting rural communities across Cumbria. This investment supports dedicated policing capacity and targeted enforcement activity, improving the prevention, detection, and disruption of offences such as theft, wildlife crime, and organised criminality in rural areas. The strategy provides a clear framework for partnerships working with landowners, businesses, and local communities, enhancing intelligence sharing, increasing visibility, and building public confidence. Collectively, this approach has contributed to reducing rural crime, protecting livelihoods, and ensuring a more proactive and resilient response to the unique challenges faced by rural communities.

The Commissioner demonstrates innovative and effective local commissioning through the **Language Matters** programme, developed with Forensic Linguist, Dr. Canning Pasc of Northumbria University. This evidence-led initiative used real case file analysis, scrutiny panel learning and evaluation data to drive improvement in frontline policing practice, specifically addressing the root causes of poor domestic abuse responses such as language, perception, and decision-making.

By focusing on culture and behaviour change rather than structural reform, the programme directly tackles victim-blaming attitudes and improves the quality of investigations and case outcomes.

Delivered at scale across departments to up to 500 officers, with clear performance measures and embedded accountability through scrutiny and leadership oversight, it represents a cost-effective, measurable, and rapidly deployable model of improvement.

This initiative will improve victim experience by ensuring victims are treated with greater empathy, believed and supported appropriately, leading to increased confidence in reporting and engagement with the criminal justice process.

A minimal investment by the Commissioner has enabled the provision of vehicles seized through criminal activity to local colleges and students, delivering both community and educational benefits. This initiative supports skills development and training opportunities in automotive and vocational education, while repurposing assets that would otherwise be lost or underutilised. By reinvesting the proceeds or use of seized assets into local communities, the scheme promotes positive outcomes for young people, supports employability, and contributes to crime prevention by demonstrating tangible community reinvestment from enforcement activity.

The Serious Violence Duty was introduced in January 2023 under the Police, Crime and Sentencing Courts Act (2022). It requires specified authorities including police, local authorities and health services to work together to analyse and address serious violence in their communities. To support the delivery of the duty, national funding is channeled through PCC offices with the Commissioner as the lead convener for the local partnership arrangements. In Cumbria the funding allocated for 2025/26 has been utilised to address serious violence through a number of initiatives and interventions. Resilience Courses for young people at risk of future offending behaviours have been implemented by Cumbria Fire and Resue Services with the key aim to look at preventative measures for the identified young people. Funding has also been provided for a dedicated intervention for young people displaying harmful sexual behaviours, as this was an area identified across partner agencies as a growing concern. Jointly funded with Public Health Partners is the 1CLIC programme which addresses serious violence associated with substance misuse and county lines activity. By utilising lived experience individuals working alongside the police dedicated tailored support is provided to assist individuals to move away from the impact of substance abuse and county lines activity. To further support this work, the Commissioner has reallocated monies from the Drug Fund which is compiled of seized monies that have been through the court and subject to court orders, to undertake dedicated days of action across the county to seek out those responsible for drug related activity in their area.

Performance

The Commissioner operates an Accountability Framework to assess how effectively the objectives set out in the Police, Fire & Crime Plan are being delivered. This framework comprises a range of internal and external boards, providing forums for both open and transparent scrutiny, as well as confidential discussions that enable robust and constructive challenge.

The structure and composition of meetings vary, with some attended by Chief Officers from both the Constabulary and the OPFCC, while others include partner organisations and members of the community to provide independent scrutiny. These forums cover all aspects of policing and provide opportunities to review performance.

The overarching governance forum is 'Executive Board – Police', to which all other board report. This brings together the Commissioner and Chief Constable, alongside Chief Officers, to facilitate open and constructive discussions across all areas of policing.

In addition, HMICFRS provides independent scrutiny of the Constabulary's performance. In the most recent PEEL inspection, published in July 2024, the Constabulary was awarded one 'Outstanding', six 'Good', and two 'Adequate' grades. The Constabulary was also inspected during 2025/26; however, the findings of this inspection have not yet been published.

The Accountability Framework also incorporates a suite of performance measures to support the Commissioner in holding the Chief Constable to account.
During 2025/2026, the Police, Fire and Crime Panel continued to meet on a quarterly basis, facilitating effective scrutiny of the delivery of the Police, Fire and Crime Plan objectives.

Thematic reports were presented to the Panel, providing an in-depth understanding of how the Constabulary and the Commissioner are working to deliver against the overarching aim of 'Protecting Cumbria'.
The Office of the Police, Fire & Crime Commissioner (OPFCC) continues to undertake Personal Development Reviews (PDRs) with all staff. To support this, the OPFCC Training Plan sets out the overall approach to learning and development across the office and cascades into individual responsibilities. During 2025/26, staff received targeted training in areas including leadership, risk management, data protection, social media, equality & diversity and restorative approaches (delivered by Remedi).

Performance Report

The following section provides a summary of performance in relation to crime, incidents, and other outcomes for 2025/26, with comparisons to the previous year.

Overall crime reduced by 2% (764 crimes) compared to the previous financial year. The table below summarises the Constabulary's performance against the agreed suite of performance measures.

	Number of Crimes 2024/25	Number of Crimes 2025/26	Number of Crimes Increase / (Reduction)	% Change from previous year
All Crime	**37,033**	**36,269**	**(764)**	**-2%**
Violence against the person	16,618	16,232	(386)	-2%
Homicide	5	1	(4)	-80%
Death or Serious Injury - Unlawful Driving	74	78	4	5%
Stalking and Harassment	5,170	5,182	12	0%
Violence with injury	4,602	4,371	(231)	-5%
Assault - with intent to cause serious harm	255	234	(21)	-8%
Assault with injury	4,311	4,101	(210)	-5%
Other violence with Injury	36	36	0	0%
Violence without injury	6,767	6,600	(167)	-2%
Assault without injury	5,773	5,589	(184)	-3%
Assault without injury on a Constable	432	421	(11)	-3%
Other violence without injury	562	590	28	5%
Rape and sexual offences	1,818	1,812	(6)	0%
Robbery	133	142	9	7%
Theft offences	5,236	5,116	(120)	-2%
Burglary	1,057	1,011	(46)	-4%
Vehicle offences	838	736	(102)	-12%
Criminal damage and arson offences	3,848	3,843	(5)	0%
Drugs offences	1,997	1,792	(205)	-10%
Public order offences	3,800	3,933	133	4%
Miscellaneous Crimes Against Society	1,149	1,097	(52)	-5%
Possession of weapons offences	539	550	11	2%

It should be noted that crime data statistics can change over time due to a number of local and national crime data audit processes. The figures in the table represent the latest and best information available for the relevant year at this time and as such, the data recorded for the prior year, may not now reconcile with the data published in the 2024/25 Statement of Accounts.

- Violence against the person offences reduced by 2% which equates to 386 crimes. This broad category includes certain crime types such as homicides and violence with injury, which have decreased, and death and serious injury from unlawful driving, which has seen an increase.
- Acquisitive crimes such as robbery, theft and burglary reduced overall in 2025/26. The combined reduction was 2% (157 crimes).
- While we encourage the reporting of rape and sex offences, reported crimes in 2025/26 reduced slightly by 6 crimes compared to the previous year.
- Drug offences saw a reduction of 10% which equates to 205 crimes.

- Reported antisocial behaviour (ASB) has reduced by 32.6% (1,166 fewer incidents). This significant decrease is influenced by Operation Enhance and subsequent increased foot patrols within ASB hotspot areas.
- During 2025/26 domestic abuse crimes decreased by 4.2% which equates to 262 fewer crimes.
- Cumbria generally has a low level of hate crime compared to other forces both nationally and in the North West, however, the latest figures for crimes with a hate indicator show an annual increase of 164 crimes, which represents an increase of 20.6%.
- The Constabulary is consistently achieving some of the highest levels of call handling performance nationally, further improving our services to the communities of Cumbria.
- The latest Crime Survey for England & Wales (CSEW) data (for the year ending September 2025) indicates that overall confidence in policing within Cumbria is at 78.2%, which is the highest figure nationally. Additionally, 61.4% of respondents in Cumbria agreed that the police were doing a good or excellent job, which was the highest figure nationally and substantially above the national average of 49.5%.

Finance & Value for Money

- We measure our performance against targets for achieving financial outturn within a percentage of the net budget. For 2025/26 this was set at 1% for the revenue budget and 8% for the capital budget.
- Actual performance for the Group revenue was 0.6%, which was within the target.
- The capital outturn was significantly (50%) below budget, falling outside the target. Whilst this was a disappointing result, the slippage was to a large degree attributable to a combination of delays in vehicle deliveries, which were beyond our control, and of taking additional time to ensure that investment in fast moving digital technologies is spent wisely to provide long term benefits. Stretch targets will continue to be set for capital expenditure going forward as a recognised area for performance improvement.
- Historically the budget for the Commissioner and Office of the Police, Fire and Crime Commissioner was benchmarked against HMICFRS Value for Money profiles. Following the inclusion of fire and rescue services under the remit of HMICFRS, costs for Police, Fire and Crime Commissioners are no longer included in the VFM comparators. It has therefore not been possible to undertake a Value for Money analysis for the Office of the Police, Fire and Crime Commissioner for 2025/26.
- His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) latest PEEL inspection in 2024 assessed the Constabulary adequate in respect of use of resources.

- Outcomes against wider performance measures that indicate the effectiveness of activity and interventions are strong against the priority areas of keeping crime at low levels, reducing anti-social behaviour, bringing criminals to justice and increasing reporting of hate crime and domestic and sexual abuse.
- External audit of arrangements for Value for Money in their annual report.
- Collectively, these indicators provide assurance of Value for Money in respect of the 2025/26 financial year.

The Future Outlook

The overall balance sheet at the 31st March 2026 remains healthy, which is reflected in the Medium Term Financial Forecast, which sets out the revenue budget position until 2030/31 and a capital programme, which is fully funded until 2035/36, which will support delivery of the Police, Fire and Crime Plan. The current financial position has primarily arisen as a result of positive action on behalf of the Constabulary to reduce costs in the context of real terms reductions in funding since 2010. This has enabled reserves to be maintained at a level that balances financial resilience and supports continued investment.

The Medium-Term Financial Strategy and 2026/27 budget was approved in the context of the Government continuing to provide additional funding for Operation Uplift and affording Commissioners' flexibility to raise council tax above inflation. However, this is accompanied by increasing cost pressures particularly in light of the emergence of continued inflationary pressures throughout 2026/27.

Against this background the 2026/27 budget provides £172.549m funding for the Chief Constable to deliver policing for Cumbria. Resources include maintaining an establishment of 1,359 Police Officers. The longer term 10 year capital programme envisages a total investment of £44m principally across the estate, fleet and ICT.

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 2027/28 to balance the budget. The cumulative budget gap by 2030/31 is forecast as £6.8m. 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, manageable and are delivered.

Financial scenario modelling continues to take place on a frequent on-going basis, together with development of a savings and efficiency plan involving both the OPFCC and Constabulary.

The OPFCC and Constabulary will transfer to the Mayoral Strategic Authority on 10 May 2027. Work is underway to facilitate the transfer. For 2026/27 the statutory accounts will cover the period 1 April 2026 to 9 May 2027 and the exact requirements for this is expected to be covered by the Statutory Instrument transfer document due in the autumn.

Acknowledgements

The financial statements were originally authorised for issue by me as PFCC Chief Finance Officer on 30 June 2026.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis the Constabulary Chief Finance Officer, Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these Statements against tight deadlines and complex financial reporting standards.

Steven Tickner
PFCC Chief Finance Officer

The accounts present a true and fair view of the position of the Police, Fire and Crime Commissioner for Cumbria Single Entity and Group Accounts as at 31 March 2026 and its income and expenditure for the year there ended.

Signatures removed for the purpose of publication on the website

Steven Tickner CPFA

PFCC Chief Finance Officer

Date: 30 June 2026

Responsibilities for the Statement of Accounts

1 The Commissioner's Responsibilities

The Police, Fire and Crime Commissioner (The Commissioner/PFCC) is the recipient of funding relating to policing and crime reduction and has statutory responsibility for the Police Fund. The Commissioner is required to:

- make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the PFCC Chief Finance Officer (CFO).
- manage his affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

2 The Chief Constable's Responsibilities

The Chief Constable (the CC) is accountable to the Police, Fire and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police, Fire and Crime Commissioner. The Chief Constable is required to:

- make arrangements for the proper administration of the financial affairs of the Constabulary and to secure that one of their officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Constabulary Chief Finance Officer (CFO).
- manage the affairs of the Constabulary to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

3 The PFCC Chief Finance Officer's Responsibilities

The PFCC Chief Finance Officer is responsible for the preparation of the Commissioner's, Chief Constable's and Group 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 Account, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- complied with the local authority code.

The CFO has also:

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

The CFO should sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the organisation at the reporting date and its income and expenditure for the year ended 31 March 2026.

Independent Auditor's Report

Independent auditor's report to the Police, Fire and Crime Commissioner for Cumbria

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Independent Auditor's Report

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Core Financial Statements

The Statement of Accounts includes four primary or core financial statements:

- **Comprehensive Income and Expenditure Statement** - This statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

  The expenditure in the statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.

  Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables.

- **Movement in Reserves Statement** - This statement shows the movement in the year on the different reserves held by the Commissioner, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce taxation) and other 'Unusable Reserves'. The Surplus (or Deficit) on the Provision of Services line shows the true economic cost of providing the Commissioner'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 Police Fund Balance for Council Tax setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory Police Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Commissioner.

  Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables, the figures for 2025/26 and the comparators for 2024/25 are also shown in separate tables.

- **Balance Sheet** – This statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Commissioner. The net assets (assets less liabilities) are matched by the reserves held by the Commissioner. Reserves are reported in two categories.

  The first category of reserves are **usable reserves**, i.e. those reserves that the Commissioner 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).

The second category of reserves are **unusable reserves** and relate to those that the Commissioner 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'.

The balance sheet for the Group and PFCC are shown side by side and include both 2025/26 figures and 2024/25 comparators.

- **Cash Flow Statement** - This statement shows the changes in cash and cash equivalents of the Commissioner during the reporting period. The statement shows how the Commissioner 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 Commissioner are funded by way of taxation and grant income or from the recipients of services. Investing activities represent the extent to which cash outflows have been generated from resources which are intended to contribute to the Commissioner'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).

  The cash flow statement for the Group and PFCC are shown side by side and include both 2025/26 figures and 2024/25 comparators.

Police Property Act – At the 31 March 2026, the Commissioner held £43k (£54k in 2024/25) under the Police Property Act 1997. The Act applies to property that is in the possession of police where the owner of the property cannot be identified and where no order of a competent court has been made. The proceeds, after defraying the costs of handling the property, are available for distribution each year to local charities as directed by the Office of the Police, Fire and Crime Commissioner. During 2025/26 awards totaling £121k were made to 52 groups from the Police Property Act Fund.

Proceeds of Crime and Misuse of Drugs Acts – At the 31 March 2026, the Commissioner held £0.950m (£1.234m in 2024/25) under the Proceeds of Crime Act 2002 and the Misuse of Drugs Act. This is money seized in connection with possible criminal activity and held pending a decision, by the courts, on the lawful owner, or distribution if no legal owner is identified.

These funds are not under the ownership of the Constabulary who acts as steward on behalf of various parties, and as such, does not form part of the Commissioner's accounts.

Comprehensive Income and Expenditure Statement – Group

Group 2024/25 Gross Expenditure £000s	Group 2024/25 Gross Income £000s	Group 2024/25 Net Expenditure £000s	Comprehensive Income and Expenditure Statement (Group)	Notes	Group 2025/26 Gross Expenditure £000s	Group 2025/26 Gross Income £000s	Group 2025/26 Net Expenditure £000s
137,072	(25,663)	111,409	Cost of Policing and Crime Services	#	151,016	(29,961)	121,055
137,072	**(25,663)**	**111,409**	**Cost of Policing and Crime Services**		**151,016**	**(29,961)**	**121,055**
			Other Operating Expenditure				
0	(174)	(174)	(Gain)/loss on disposal of non current assets	9e	0	(88)	(88)
16,440	(16,408)	32	Transfer to Pension Fund/Pension Top Up Grant		14,146	(14,012)	134
16,440	**(16,582)**	**(142)**			**14,146**	**(14,100)**	**46**
			Financing and Investment Income and Expenditure				
445	0	445	Interest payable on PFI unitary payments		406	0	406
90	0	90	Interest payable on Finance Leases		87	0	87
58,948	(10,158)	48,790	Net Interest on the net defined benefit liability (asset)	Annex B	63,183	(12,515)	50,668
0	(1,145)	(1,145)	Investment interest income		0	(1,278)	(1,278)
59,483	**(11,303)**	**48,180**			**63,676**	**(13,793)**	**49,883**
			Taxation and Non-Specific Grant Income				
0	0	0	Recognised capital grants and contributions	27	0	(56)	(56)
0	(55,578)	(55,578)	Income from Council Tax	28	0	(60,508)	(60,508)
0	(4,850)	(4,850)	Council Tax Grant (Freeze & Support)	27	0	(4,850)	(4,850)
0	(38,127)	(38,127)	Formula Funding	27	0	(39,540)	(39,540)
0	(39,064)	(39,064)	Home Office Police Grant	27	0	(40,510)	(40,510)
0	(659)	(659)	PFI Grant	27	0	0	0
0	**(138,278)**	**(138,278)**			**0**	**(145,464)**	**(145,464)**
212,995	**(191,826)**	**21,169**	**(Surplus) or Deficit on Provision of Services**		**228,838**	**(203,318)**	**25,520**
			Surplus or Deficit on revaluation of Property, Plant and Equipment Assets				
		(4,546)	Revaluation (Gains)	20a			(4,599)
		10	Revaluation losses (chargeable to revaluation reserve)	20a			14
			Actuarial (gains) / losses on pension assets / liabilities				
		(122,634)	- Matching the entry to the pensions reserve	Annex B			(47,401)
		(127,170)	**Other Comprehensive Income and Expenditure**				**(51,986)**
		(106,001)	**Total Comprehensive Income and Expenditure**				**(26,466)**

A more detailed analysis of the figures that make up the "Cost of Policing and Crime Services" can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Comprehensive Income and Expenditure Statement – PFCC

PFCC 2024/25 Gross Expenditure £000s	PFCC 2024/25 Gross Income £000s	PFCC 2024/25 Net Expenditure £000s	Comprehensive Income and Expenditure Statement (PFCC)	Notes	PFCC 2025/26 Gross Expenditure £000s	PFCC 2025/26 Gross Income £000s	PFCC 2025/26 Net Expenditure £000s
16,727	(32,672)	(15,945)	Cost of Policing and Crime Services	#	18,867	(36,608)	(17,741)
156,652	0	156,652	Funding Provided by PFCC to CC		170,379	0	170,379
173,379	**(32,672)**	**140,707**	**Cost of Policing and Crime Services**		**189,246**	**(36,608)**	**152,638**
			Other Operating Expenditure				
0	(174)	(174)	(Gain)/loss on disposal of non current assets	9e	0	(88)	(88)
16,440	(16,408)	32	Transfer to Pension Fund/Pension Top Up Grant		14,146	(14,012)	134
16,440	**(16,582)**	**(142)**			**14,146**	**(14,100)**	**46**
			Financing and Investment Income and Expenditure				
445	0	445	Interest payable on PFI unitary payments		406	0	406
90	0	90	Interest payable on Finance Leases		87	0	87
251	(293)	(42)	Net Interest on the net defined benefit liability (asset)	Annex B	265	(365)	(100)
0	(1,145)	(1,145)	Investment interest income		0	(1,278)	(1,278)
786	**(1,438)**	**(652)**			**758**	**(1,643)**	**(885)**
			Taxation and Non-Specific Grant Income				
0	0	0	Recognised capital grants and contributions	27	0	(56)	(56)
0	(55,578)	(55,578)	Income from Council Tax	28		(60,508)	(60,508)
0	(4,850)	(4,850)	Council Tax Grant (Freeze & Support)	27		(4,850)	(4,850)
0	(38,127)	(38,127)	Formula Funding	27		(39,540)	(39,540)
0	(39,064)	(39,064)	Home Office Police Grant	27		(40,510)	(40,510)
0	(659)	(659)	PFI Grant	27		0	0
0	**(138,278)**	**(138,278)**			**0**	**(145,464)**	**(145,464)**
190,605	**(188,970)**	**1,635**	**(Surplus) or Deficit on Provision of Services**		**204,150**	**(197,815)**	**6,335**
			Surplus or Deficit on revaluation of Property, Plant and Equipment Assets				
		(4,546)	Revaluation gains	20a			(4,599)
		10	Revaluation losses (chargeable to revaluation reserve)	20a			14
			Actuarial (gains) / losses on pension assets / liabilities				
		40	Remeasurement of the net defined pension benefit liability/asset	Annex B			222
		(4,496)	**Other Comprehensive Income and Expenditure**				**(4,363)**
		(2,861)	**Total Comprehensive Income and Expenditure**				**1,972**

A more detailed analysis of the figures that make up the "Cost of Policing and Crime Services" can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Movement in Reserves Statement - Group

The figures for the group in 2025/26 are provided in the table below:

Movement in Reserves Statement (Group) Figures for 2025/26	Note	Balance at 1 April 2025 £000s	Adjustment to Opening Balance 1 April 2025 £000s	Surplus/ (deficit) on the provision of services £000s	Other comprehensive income and expenditure £000s	Total comprehensive income and expenditure £000s	Adjustment between accounting basis and funding basis under regulations (Note 7) £000s	Net increase / (decrease) before transfers to/from earmarked reserves £000s	Transfers to/(from) earmarked reserves £000s	Increase/ (decrease) in 2025/26 £000s	Balance at 31 March 2026 £000s
Usable Reserves											
Police Fund Account	-	4,000	0	(25,520)	0	(25,520)	23,552	(1,968)	2,768	800	4,800
Earmarked Revenue Reserves	8	23,458	0	0	0	0	0	0	(2,474)	(2,474)	20,984
Earmarked Capital Reserves	8	294	0	0	0	0	0	0	(294)	(294)	0
Capital Receipts Reserve	19	1,524	0	0	0	0	(1,524)	(1,524)	0	(1,524)	0
Total Usable Reserves		29,276	0	(25,520)	0	(25,520)	22,028	(3,492)	0	(3,492)	25,784
Unusable Reserves											
Revaluation Reserve	20a	28,261	(382)	0	4,585	4,585	(311)	4,274	0	4,274	32,153
Capital Adjustment Account	20b	31,446	12	0	0	0	(1,499)	(1,499)	0	(1,499)	29,959
Police Pensions Reserve	20e	(977,000)	0	0	26,100	26,100	(23,950)	2,150	0	2,150	(974,850)
LGPS Pensions Reserve	20e	(645)	0	0	21,301	21,301	5,103	26,404	0	26,404	25,759
Collection Fund Adjustment A/c	20c	6	0	0	0	0	(1,227)	(1,227)	0	(1,227)	(1,221)
Accumulated Absences A/c	20d	(4,050)	0	0	0	0	(144)	(144)	0	(144)	(4,194)
Total Unusable Reserves		(921,982)	(370)	0	51,986	51,986	(22,028)	29,958	0	29,958	(892,394)
Total Reserves		(892,706)	(370)	(25,520)	51,986	26,466	0	26,466	0	26,466	(866,610)

The comparative figures for the group in 2024/25 are provided in the table below:

Movement in Reserves Statement (Group) Figures for 2024/25	Note	Balance at 1 April 2024 £000s	Adjustment to Opening Balance 1 April 2024 £000s	Surplus/ (deficit) on the provision of services £000s	Other comprehensive income and expenditure £000s	Total comprehensive income and expenditure £000s	Adjustment between accounting basis and funding basis under regulations (Note 7) £000s	Net increase / (decrease) before transfers to/from earmarked reserves £000s	Transfers to/(from) earmarked reserves £000s	Increase/ (decrease) in 2024/25 £000s	Balance at 31 March 2025 £000s
Usable Reserves											
Police Fund Account	-	4,000	0	(21,169)	0	(21,169)	19,750	(1,419)	1,419	0	4,000
Earmarked Revenue Reserves	8	23,158	0	0	0	0	0	0	300	300	23,458
Earmarked Capital Reserves	8	2,013	0	0	0	0	0	0	(1,719)	(1,719)	294
Capital Receipts Reserve	19	2,231	0	0	0	0	(707)	(707)	0	(707)	1,524
Total Usable Reserves		31,402	0	(21,169)	0	(21,169)	19,043	(2,126)	0	(2,126)	29,276
Unusable Reserves											
Revaluation Reserve	20a	23,999	0	0	4,536	4,536	(274)	4,262	0	4,262	28,261
Capital Adjustment Account	20b	30,731	0	0	0	0	715	715	0	715	31,446
Police Pensions Reserve	20e	(1,079,290)	0	0	124,240	124,240	(21,950)	102,290	0	102,290	(977,000)
LGPS Pensions Reserve	20e	(733)	(362)	0	(1,606)	(1,606)	2,056	450	0	450	(645)
Collection Fund Adjustment A/c	20c	6	0	0	0	0	0	0	0	0	6
Accumulated Absences A/c	20d	(4,460)	0	0	0	0	410	410	0	410	(4,050)
Total Unusable Reserves		(1,029,747)	(362)	0	127,170	127,170	(19,043)	108,127	0	108,127	(921,982)
Total Reserves		(998,345)	(362)	(21,169)	127,170	106,001	0	106,001	0	106,001	(892,706)

Movement in Reserves Statement – PFCC

The figures for the PFCC Single Entity in 2025/26 are provided in the table below:

Movement in reserves Statement (PFCC) Figures for 2025/26	Note	Balance at 1 April 2025	Adjustment to Opening Balance 1 April 2025	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2025/26	Balance at 31 March 2026
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves											
Police Fund Account	-	**4,000**	0	(6,335)	0	**(6,335)**	4,367	**(1,968)**	2,768	**800**	**4,800**
Earmarked Revenue Reserves	8	**23,458**	0	0	0	**0**	0	**0**	(2,474)	**(2,474)**	**20,984**
Earmarked Capital Reserves	8	**294**	0	0	0	**0**	0	**0**	(294)	**(294)**	**0**
Capital Receipts Reserve	19	**1,524**	0	0	0	**0**	(1,524)	**(1,524)**	0	**(1,524)**	**0**
Total Usable Reserves		**29,276**	**0**	**(6,335)**	**0**	**(6,335)**	**2,843**	**(3,492)**	**0**	**(3,492)**	**25,784**
Unusable Reserves											
Revaluation Reserve	20a	**28,261**	(382)	0	4,585	**4,585**	(311)	**4,274**	0	**4,274**	**32,153**
Capital Adjustment Account	20b	**31,446**	12	0	0	**0**	(1,499)	**(1,499)**	0	**(1,499)**	**29,959**
LGPS Pensions Reserve	20e	**(13)**	0	0	(222)	**(222)**	199	**(23)**	0	**(23)**	**(36)**
Collection Fund Adjustment A/c	20c	**6**	0	0	0	**0**	(1,227)	**(1,227)**	0	**(1,227)**	**(1,221)**
Accumulated Absences A/c	20d	**(48)**	0	0	0	**0**	(5)	**(5)**	0	**(5)**	**(53)**
Total Unusable Reserves		**59,652**	**(370)**	**0**	**4,363**	**4,363**	**(2,843)**	**1,520**	**0**	**1,520**	**60,802**
Total Reserves		**88,928**	**(370)**	**(6,335)**	**4,363**	**(1,972)**	**0**	**(1,972)**	**0**	**(1,972)**	**86,586**

The comparative figures for 2024/25 are provided in the table below:

Movement in Reserves Statement (PFCC) Figures for 2024/25	Note	Balance at 1 April 2024	Adjustment to Opening Balance 1 April 2024	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2024/25	Balance at 31 March 2025
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves											
Police Fund Account	-	**4,000**	0	(1,635)	0	**(1,635)**	216	**(1,419)**	1,419	**0**	**4,000**
Earmarked Revenue Reserves	8	**23,158**	0	0	0	**0**	0	**0**	300	**300**	**23,458**
Earmarked Capital Reserves	8	**2,013**	0	0	0	**0**	0	**0**	(1,719)	**(1,719)**	**294**
Capital Receipts Reserve	19	**2,231**	0	0	0	**0**	(707)	**(707)**	0	**(707)**	**1,524**
Total Usable Reserves		**31,402**	**0**	**(1,635)**	**0**	**(1,635)**	**(491)**	**(2,126)**	**0**	**(2,126)**	**29,276**
Unusable Reserves											
Revaluation Reserve	20a	23,999	0	0	4,536	**4,536**	(274)	**4,262**	0	**4,262**	**28,261**
Capital Adjustment Account	20b	30,731	0	0	0	**0**	715	**715**	0	**715**	**31,446**
LGPS Pensions Reserve	20e	(14)	(11)	0	(40)	**(40)**	52	**12**	0	**12**	**(13)**
Collection Fund Adjustment A/c	20c	6	0	0	0	**0**	0	**0**	0	**0**	**6**
Accumulated Absences A/c	20d	(46)	**0**	**0**	**0**	**0**	**(2)**	**(2)**	**0**	**(2)**	**(48)**
Total Unusable Reserves		**54,676**	**(11)**	**0**	**4,496**	**4,496**	**491**	**4,987**	**0**	**4,987**	**59,652**
Total Reserves		**86,078**	**(11)**	**(1,635)**	**4,496**	**2,861**	**0**	**2,861**	**0**	**2,861**	**88,928**

Balance Sheet – PFCC & Group

PFCC 31 March 2025 £000s	Group 31 March 2025 £000s	Balance Sheet	Notes	PFCC 31 March 2026 £000s	Group 31 March 2026 £000s
		Property, Plant & Equipment			
66,575	66,575	Land and Buildings	9	69,314	69,314
4,744	4,744	Vehicles	9	5,174	5,174
5,498	5,498	Information Technology Equipment	9	5,610	5,610
765	765	Furniture, Equipment & Plant	9	795	795
1,988	1,988	Right of Use assets	13a	1,800	1,800
79,570	**79,570**			**82,693**	**82,693**
495	495	Investment Properties		447	447
855	855	Intangible Assets - Software	11	750	750
0	0	Pensions Asset - LGPS	Annex B	0	26,393
80,920	**80,920**	**Long Term Assets**		**83,890**	**110,283**
2,078	2,078	Short Term Investments	17	3,619	3,619
560	560	Assets held for sale (within 1yr)	10	560	560
0	698	Inventories		0	684
18,818	18,818	Short Term Debtors (external)	14	17,975	17,975
11,733	0	Short Term Debtors (amounts owed to PFCC by CC re CC share of external Creditors)	14	11,429	0
7,105	0	Short Term Debtors (funding balance owed to PFCC by CC)	14	7,408	0
4,354	4,354	Cash and Cash Equivalents	CF6	2,785	2,785
44,648	**26,508**	**Current Assets**		**43,776**	**25,623**
(14,932)	(14,932)	Short Term Creditors (external)	15	(18,883)	(18,883)
(6,616)	0	Short Term Creditors (amounts owed by PFCC to CC re CC share of external debtors)	15	(7,247)	0
(9,967)	0	Short Term Creditors (funding balance due from PFCC to CC)	15	(10,302)	0
(338)	(338)	PFI Finance Lease Liability Due within 1 Year	12	(3,064)	(3,064)
(161)	(161)	Finance Lease Liability Due within 1 Year	13c	(147)	(147)
(32,014)	**(15,431)**	**Current Liabilities**		**(39,643)**	**(22,094)**
0	(2,445)	Provisions	16	0	(3,537)
		Other Long Term Liabilities			
0	(977,000)	Pensions liability - Police	18	0	(974,850)
(13)	(645)	Pensions liability - LGPS	Annex B	(36)	(634)
(3,064)	(3,064)	PFI Finance Lease Liability	12	0	0
(1,549)	(1,549)	Finance Lease Liability	13c	(1,401)	(1,401)
(4,626)	**(984,703)**	**Long Term Liabilities**		**(1,437)**	**(980,422)**
88,928	**(892,706)**	**Net Assets / Net (Liabilities)**		**86,586**	**(866,610)**
		Usable reserves	19		
4,000	4,000	Police Fund		4,800	4,800
23,458	23,458	Earmarked reserves (revenue)	8	20,984	20,984
294	294	Earmarked reserves (capital)	8	0	0
1,524	1,524	Capital Receipts Reserve	7	0	0
29,276	**29,276**			**25,784**	**25,784**
		Unusable Reserves	20		
28,261	28,261	Revaluation Reserve	20a	32,153	32,153
31,446	31,446	Capital Adjustment Account	20b	29,959	29,959
0	(977,000)	Pensions Reserve - Police	20e	0	(974,850)
(13)	(645)	Pensions Reserve - LGPS	20e	(36)	25,759
6	6	Collection Fund Adjustment Account	20c	(1,221)	(1,221)
(48)	(4,050)	Accumulated Absences Account	20d	(53)	(4,194)
59,652	**(921,982)**			**60,802**	**(892,394)**
88,928	**(892,706)**	**Total Reserves**		**86,586**	**(866,610)**

The unaudited accounts were authorised for issue on 30 June 2026.

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Signed: ________________________________

Steven Tickner, PFCC Chief Finance Officer.

Cash Flow Statement – PFCC & Group

PFCC 2024/25 £000s	Group 2024/25 £000s	Cash Flow Statement (PFCC and Group)	See Note Below	PFCC 2025/26 £000s	Group 2025/26 £000s
1,635	21,169	Net (Surplus) or Deficit on the provision of services		6,335	25,520
(7,150)	(26,684)	Adjustment to net surplus or deficit on the provision of services for non-cash movements	CF1	(11,502)	(30,687)
(5,515)	**(5,515)**	**Net cash (inflow)/ outflow from Operating Activities**	CF3	**(5,167)**	**(5,167)**
5,864	5,864	Investing Activities	CF4	6,237	6,237
433	433	Financing Activities	CF5	499	499
782	**782**	**Net (increase) or decrease in cash and cash equivalents**		**1,569**	**1,569**
(5,136)	(5,136)	Cash and cash equivalents at the beginning of the reporting period		(4,354)	(4,354)
(4,354)	**(4,354)**	**Cash and cash equivalents at the end of the reporting period**	CF6	**(2,785)**	**(2,785)**
		Notes to the Cash Flow Statement			
		CF1 - The Adjustment to net surplus or deficit on the provision of services for non-cash movements are made up as follows:			
(5,352)	(5,352)	Depreciation & Amortisation		(5,145)	(5,145)
728	728	Impairment & Downward Valuations		(548)	(548)
310	310	Grants applied to the financing of capital expenditure		56	56
52	(19,894)	Pension Liability (Contributions to/from Pensions Reserve)		199	(18,847)
(320)	(320)	Creditors - Change in Balance Sheet		(3,949)	(3,949)
20	20	Creditors - Change in Balance Sheet (Adjustment for Purchase of Fixed Assets)		(245)	(245)
(623)	0	Creditors - Adjustment re CC Share of Debtors		(632)	0
(1,042)	0	Creditors - Adjustment re Balance of Funding due from PFCC to CC		(334)	0
(2,325)	(2,325)	Debtors - Change in Balance Sheet		(844)	(844)
78	78	Debtors - Change in Balance Sheet (Adjustment for Investment Interest)		(59)	(59)
438	0	Debtors - Adjustment re CC Share of Creditors		(305)	0
886	0	Debtors - Adjustment re Balance of Funding due from CC to PFCC		304	0
0	144	Stock - Change in Balance Sheet		0	(14)
0	(73)	Provisions - Change in Balance Sheet		0	(1,092)
(7,150)	**(26,684)**	**Adjustment to net surplus or deficit on the provision of services for non-cash movements**		**(11,502)**	**(30,687)**

Cash Flow Statement – PFCC & Group

PFCC 2024/25 £000s	Group 2024/25 £000s	Cash Flow Statement (PFCC and Group)	PFCC 2025/26 £000s	Group 2025/26 £000s
		CF2 - The Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities are made up as follows:		
0	0	Proceeds from the Sale of Property, Plant & Equipment and Intangibles	0	0
0	**0**	**Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities**	**0**	**0**
		CF3 - The cash flows from *Operating Activities* include the following items:		
(1,067)	(1,067)	Interest received	(1,337)	(1,337)
580	580	Interest Paid	401	401
(487)	**(487)**		**(936)**	**(936)**
		CF4 - The cash flows from *Investing Activities* are made up as follows:		
3,864	3,864	Purchase of property, plant and equipment and intangible assets	4,637	4,637
73,856	73,856	Purchase of short-term and long-term investments	134,944	134,944
(71,856)	(71,856)	Proceeds from short-term and long-term investments	(133,344)	(133,344)
5,864	**5,864**	**Net cash flows from investing activities**	**6,237**	**6,237**
		CF5 - The cash flows from *Financing Activities* are made up as follows:		
433	433	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	499	499
433	**433**	**Net cash flows from financing activities**	**499**	**499**
		CF6 - The balance of *Cash and Cash Equivalents* is made up as follows:		
(66)	(66)	Bank current accounts	(21)	(21)
(1,777)	(1,777)	Short-term deposit with bank (overnight)	(1,775)	(1,775)
(2,511)	(2,511)	Investments in Money Market Funds (available on demand)	(989)	(989)
(4,354)	**(4,354)**	**Total Cash and Cash Equivalents**	**(2,785)**	**(2,785)**

The accounting policy for cash and cash equivalents can be found in Annex C, section 5.

Notes to the Accounts

Index of Notes to the Accounts

The notes to the accounts are provided to aid the understanding of material items within the core financial statements. Where the figures provided are different for the Group and PFCC Single Entity either separate notes will be provided or a single note will show the respective figures in different columns, these will be headed Group or PFCC. Where the figures are the same for the group and single entity a single note is provided, this is headed up PFCC/Group. The notes contain the relevant information for the 2025/26 financial year plus the comparative figures for 2024/25.

The notes sometimes include terms that may require further explanation. Where possible, explanations are provided within the note, otherwise explanations are provided within the "glossary of terms" in pages 101-103. Terms for which an explanation is provided will be depicted by text that is shown in teal coloured text and underlined.

1 Accounting Policies

There are a number of accounting policies that determine how items within the accounts are treated. The accounting policies are shown in a separate annex (Annex C).

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex C (AP1-18), the Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for policing. However, the Commissioner has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Commissioner might be impaired as a result of a need to close facilities and reduce levels of service provision.

- The Commissioner is deemed to control the services provided under the PFI agreement in relation to the West Cumbria BCU HQ at Workington. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement. The Commissioner has a number of options regarding ownership of the PFI building beyond the initial 25 year contract period including the right to purchase the asset for half of its market value at that time. In December 2015, the PFI building at Hall Brow Workington experienced flooding for the second time in six years. The impact of the flooding on the building highlighted resilience issues for the longer term in respect of both custody and deployment. As a result, options for the future provision of the police estate in West Cumbria are under review and the capital programme includes provision which seeks to address those resilience issues and provide a longer term solution to the PFI arrangement. In accounting for the PFI contract it is assumed that there is reasonable certainty that the Commissioner will exercise the right to purchase the building. Accordingly the PFI land and building are recognised as property, plant and equipment in the Commissioner's balance sheet at full value of £8.4m. In addition, a liability for outstanding obligations to pay for the building, which includes the cost of purchasing the asset for half its market value at the end of the PFI period are also shown on the balance sheet. As the PFI contract approaches its end it may be necessary to reflect an additional liability to recognise that the market value of the asset may exceed the construction cost.

- As part of the work undertaken in relation to the changes introduced by IFRS16 Leases, we have considered the arrangements between the PFCC and Constabulary and have come to the conclusion that there is no lease arrangement between the two bodies. If that judgement had been different, the accounts would have looked different.

3 Events after the Balance Sheet Date

A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the Code require adjustment or disclosure. Consideration has been given as to whether any events meet the requirement to be disclosed as a post balance sheet event and it has been concluded that no such matters require disclosure.

The Statement of Accounts was authorised for issue by the PFCC Chief Finance Officer on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. One significant transaction took place on 24/04/26 relating to the sale of the premises at Wreay, this will be reflected in the 2026/27 accounts.

4 Assumptions made about the future and other Sources of Estimation Uncertainty

The statement of Accounts contains estimated figures that are based on assumptions made by the Commissioner about the future or 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 Commissioner's group balance sheet as at 31 March 2026 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	In accordance with recent changes to the Code of Practice in relation to Land and buildings assets, these are now revalued on a five-year rolling basis. In the intervening years, the assets not revalued in the year are subjected to the application of annual indexation. At the balance sheet date 31 March 2026, the value of property, plant and equipment was £83m.	Revaluation gains and losses or disposal proceeds in future years may be significantly different than anticipated. However, as all land and building assets are subject to an annual impairment review, and biennial revaluations, the impact of this is thought to be immaterial. If the useful lives of assets are reduced, depreciation will increase and the carrying amount of assets falls. It is estimated that the annual depreciation charge for buildings, vehicles and plant would increase by approx. £723kfor every year that useful lives had to be reduced. A 10% change in those assets subject to revaluation (£69m) would change the value of those assets on the Balance Sheet by £6.9m and the depreciation charge to the CIES by £139k.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two firms of consulting actuaries are engaged to provide the Commissioner with expert advice about the assumptions to be applied for both the Police Pension Scheme (Government Actuaries Department) and the Local Government Pension Scheme (Mercer Ltd). At the balance sheet date, the liability in respect of the police pension scheme was £949m. In relation to LGPS, the actuary calculated that the valuation resulted in a net asset of £68m, however under IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of: • The surplus in the defined benefit plan; and • The asset ceiling. The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which now provides a surplus of £26.393m for funded benefits and a deficit of £634k for unfunded benefits.	The effects on the net pension liability of changes in individual assumptions can be measured. Examples of the impact of changes in individual assumptions is included in the sensitivity analysis provided in the technical annex to the accounts (Annex B) Pension Disclosures (pages 109-119).

5 Expenditure and Funding Analysis

This note shows how annual expenditure is used and funded from resources (government grants, council tax precepts) by the Commissioner in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between subjective headings. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables.

The figures for the group in 2025/26 are provided in the table below:

Expenditure and Funding Analysis (Group)	Group 2025/26				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	115,713	0	115,713	(30,410)	85,303
PCSO Pay & Allowances	1,850	0	1,850	(83)	1,767
Police Staff Pay & Allowances	32,821	0	32,821	(1,459)	31,362
Other Employee Budgets	4,625	0	4,625	0	4,625
Premises Related Expenditure	5,412	0	5,412	0	5,412
Transport Related Expenditure	3,351	0	3,351	0	3,351
Supplies & Services Expenditure	16,167	0	16,167	0	16,167
Third Party Related Expenditure	11,027	0	11,027	0	11,027
Technical Accounting Adjustments	6,133	(5,145)	988	4,705	5,693
Income from Fees & Charges	(9,793)	0	(9,793)	0	(9,793)
Grants & Contributions	(34,180)	0	(34,180)	0	(34,180)
Non distributed costs	0	0	0	131	131
Termination Payments	190	0	190	0	190
Net Cost of Services	**153,316**	**(5,145)**	148,171	**(27,116)**	**121,055**
Other Income and Expenditure	(146,203)	0	(146,203)	50,668	(95,535)
(Surplus)/Deficit on the Provision of Services	**7,113**	**(5,145)**	**1,968**	**23,552**	**25,520**

	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total
Opening Police Fund Balance 1 April 2025	(4,000)	(23,458)	(294)	**(27,752)**
Less Deficit on Police Fund Balance in Year	(800)	2,474	294	**1,968**
Closing Police Fund Balance at 31 March 2026	**(4,800)**	**(20,984)**	**0**	**(25,784)**

The comparative figures for the group in 2024/25 are provided in the table below:

Expenditure and Funding Analysis (Group)	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Group 2024/25 Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	109,012	0	109,012	(28,640)	80,372
PCSO Pay & Allowances	1,622	0	1,622	0	1,622
Police Staff Pay & Allowances	30,879	0	30,879	(258)	30,621
Other Employee Budgets	4,301	0	4,301	0	4,301
Premises Related Expenditure	5,473	0	5,473	0	5,473
Transport Related Expenditure	3,564	0	3,564	0	3,564
Supplies & Services Expenditure	13,595	0	13,595	0	13,595
Third Party Related Expenditure	9,010	0	9,010	0	9,010
Technical Accounting Adjustments	10,119	(5,352)	4,767	(144)	4,623
Income from Fees & Charges	(8,568)	0	(8,568)	0	(8,568)
Grants & Contributions	(33,503)	0	(33,503)	0	(33,503)
Non distributed costs	0	0	0	2	2
Termination Payments	297	0	297	0	297
Net Cost of Services	**145,801**	**(5,352)**	140,449	**(29,040)**	**111,409**
Other Income and Expenditure	(139,030)	0	(139,030)	48,790	(90,240)
(Surplus)/Deficit on the Provision of Services	**6,771**	**(5,352)**	**1,419**	**19,750**	**21,169**

	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total
Opening Police Fund Balance 1 April 2024	(4,000)	(23,158)	(2,013)	**(29,171)**
Less Deficit on Police Fund Balance in Year	0	(300)	1,719	**1,419**
Closing Police Fund Balance at 31 March 2025	**(4,000)**	**(23,458)**	**(294)**	**(27,752)**

The figures for the PFCC in 2025/26 are provided in the table below:

Expenditure and Funding Analysis (PFCC)	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	PFCC 2025/26 Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	14,012	0	14,012	0	14,012
Police Staff Pay & Allowances	1,181	0	1,181	(99)	1,082
Other Employee Budgets	63	0	63	0	63
Premises Related Expenditure	(1,298)	0	(1,298)	0	(1,298)
Transport Related Expenditure	1,383	0	1,383	0	1,383
Supplies & Services Expenditure	771	0	771	0	771
Third Party Related Expenditure	4,413	0	4,413	0	4,413
Technical Accounting Adjustments	6,272	(5,145)	1,127	4,566	5,693
Income from Fees & Charges	(9,793)	0	(9,793)	0	(9,793)
Grants & Contributions	(34,180)	0	(34,180)	0	(34,180)
Funding Provided by PFCC to CC	170,379	0	170,379	0	170,379
Net Cost of Services	**153,316**	**(5,145)**	**148,171**	**4,467**	**152,638**
Other Income and Expenditure	(146,203)	0	(146,203)	(100)	(146,303)
(Surplus)/Deficit on the Provision of Services	**7,113**	**(5,145)**	**1,968**	**4,367**	**6,335**

	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total
Opening Police Fund Balance 1 April 2025	(4,000)	(23,458)	(294)	(27,752)
Less Deficit on Police Fund Balance in Year	(800)	2,474	294	**1,968**
Closing Police Fund Balance at 31 March 202	**(4,800)**	**(20,984)**	**0**	**(25,784)**

The comparative figures for the PFCC in 2024/25 are provided in the table below:

Expenditure and Funding Analysis (PFCC)	PFCC 2024/25 As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	16,408	0	16,408	0	16,408
Police Staff Pay & Allowances	957	0	957	(10)	947
Other Employee Budgets	396	0	396	0	396
Premises Related Expenditure	(1,498)	0	(1,498)	0	(1,498)
Transport Related Expenditure	1,670	0	1,670	0	1,670
Supplies & Services Expenditure	(906)	0	(906)	0	(906)
Third Party Related Expenditure	4,486	0	4,486	0	4,486
Technical Accounting Adjustments	9,707	(5,352)	4,355	268	4,623
Income from Fees & Charges	(8,568)	0	(8,568)	0	(8,568)
Grants & Contributions	(33,503)	0	(33,503)	0	(33,503)
Funding Provided by PFCC to CC	156,652	0	156,652	0	156,652
Net Cost of Services	**145,801**	**(5,352)**	**140,449**	**258**	**140,707**
Other Income and Expenditure	(139,030)	0	(139,030)	(42)	(139,072)
(Surplus)/Deficit on the Provision of Services	**6,771**	**(5,352)**	**1,419**	**216**	**1,635**

	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total
Opening Police Fund Balance 1 April 2024	(4,000)	(23,158)	(2,013)	**(29,171)**
Less Deficit on Police Fund Balance in Year	0	(300)	1,719	**1,419**
Closing Police Fund Balance at 31 March 202	**(4,000)**	**(23,458)**	**(294)**	**(27,752)**

5.a Note to the Expenditure Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the Police Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (pages 44-45). The relevant transfers between reserves are explained in the Movement in Reserves Statement (pages 46-47).

The figures for the Group for 2025/26 are set out in the table below:

Note to the Expenditure and Funding Analysis (Group)	Group 2025/26					
	Depreciation £000s	Total to arrive at amount charged to the Police Fund £000s	Adjustment for capital purposes (See below) £000s	Net change for the Pensions Adjustment (See below) £000s	Other Differences (See below) £000s	Total Adjustment Between funding and accounting basis £000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	0	0	0	(30,410)	0	(30,410)
PCSO Pay & Allowances	0	0	0	(83)	0	(83)
Police Staff Pay & Allowances	0	0	0	(1,459)	0	(1,459)
Technical Accounting Adjustments	(5,145)	(5,145)	3,334	0	1,371	4,705
Non distributed costs	0	0	0	131	0	131
Net Cost of Services	**(5,145)**	**(5,145)**	**3,334**	**(31,821)**	**1,371**	**(27,116)**
Other Income and Expenditure	0	0	0	50,668	0	50,668
(Surplus)/Deficit on the Provision of Services	**(5,145)**	**(5,145)**	**3,334**	**18,847**	**1,371**	**23,552**
Further Analysis of Adjustments						
Depreciation/Amortisation			5,145	0	0	5,145
Minimum Revenue Provision (MRP)			(935)	0	0	(935)
Revaluations			548	0	0	548
Direct Revenue Contribution			(1,368)	0	0	(1,368)
Capital Grant Reversal			(56)	0	0	(56)
Police Pensions - Interest on Liabilities			0	54,360	0	54,360
Police Pensions - Reverse Employer Contributions			0	(36,590)	0	(36,590)
Police Pensions - Current Service Cost			0	6,180	0	6,180
LGPS - Interest on Liabilities			0	8,823	0	8,823
LGPS - Return on Plan Assets			0	(12,515)	0	(12,515)
LGPS - Reverse Employer Contributions			0	(4,703)	0	(4,703)
LGPS - Current Service Cost			0	3,161	0	3,161
LGPS - Non Distributed Costs			0	131	0	131
Use of Capital Receipts			0	0	0	0
Collection Fund Adjustment			0	0	1,227	1,227
Accumulated Absences Account Adj			0	0	144	144
Total Adjustments			**3,334**	**18,847**	**1,371**	**23,552**

The comparative figures for the Group for 2024/25 are set out in the table below:

Note to the Expenditure and Funding Analysis (Group)	Group 2024/25 Depreciation	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	0	0	0	(28,640)	0	(28,640)
Police Staff Pay & Allowances	0	0	0	(258)	0	(258)
Technical Accounting Adjustments	(5,352)	(5,352)	266	0	(410)	(144)
Non distributed costs	0	0	0	2	0	2
Net Cost of Services	**(5,352)**	**(5,352)**	**266**	**(28,896)**	**(410)**	**(29,040)**
Other Income and Expenditure	0	0	0	48,790	0	48,790
(Surplus)/Deficit on the Provision of Services	**(5,352)**	**(5,352)**	**266**	**19,894**	**(410)**	**19,750**
Further Analysis of Adjustments						
Depreciation/Amortisation			5,352	0	0	5,352
Minimum Revenue Provision (MRP)			(871)	0	0	(871)
Revaluations			(728)	0	0	(728)
Direct Revenue Contribution			(3,177)	0	0	(3,177)
Capital Grant Reversal			(310)	0	0	(310)
Police Pensions - Interest on Liabilities			0	50,590	0	50,590
Police Pensions - Reverse Employer Contributions			0	(37,680)	0	(37,680)
Police Pensions - Current Service Cost			0	9,040	0	9,040
LGPS - Interest on Liabilities			0	8,358	0	8,358
LGPS - Return on Plan Assets			0	(10,158)	0	(10,158)
LGPS - Reverse Employer Contributions			0	(4,299)	0	(4,299)
LGPS - Current Service Cost			0	4,041	0	4,041
LGPS - Non Distributed Costs			0	2	0	2
Accumulated Absences Account Adj			0	0	(410)	(410)
Total Adjustments			**266**	**19,894**	**(410)**	**19,750**

The figures for the PFCC for 2025/26 are set out in the table below:

Note to the Expenditure and Funding Analysis (PFCC)	PFCC 2025/26 Depreciation £000s	Total to arrive at amount charged to the Police Fund £000s	Adjustment for capital purposes (See below) £000s	Net change for the Pensions Adjustment (See below) £000s	Other Differences (See below) £000s	Total Adjustment Between funding and accounting basis £000s
Cost of Policing & Crime Services						
Police Staff Pay & Allowances	0	0	0	(99)	0	(99)
Technical Accounting Adjustments	(5,145)	(5,145)	3,334	0	1,232	4,566
Net Cost of Services	**(5,145)**	**(5,145)**	**3,334**	**(99)**	**1,232**	**4,467**
Other Income and Expenditure	0	0	0	(100)	0	(100)
(Surplus)/Deficit on the Provision of Services	**(5,145)**	**(5,145)**	**3,334**	**(199)**	**1,232**	**4,367**
Further Analysis of Adjustments						
Depreciation/Amortisation			5,145	0	0	5,145
Minimum Revenue Provision (MRP)			(935)	0	0	(935)
Revaluations			548	0	0	548
Direct Revenue Contribution			(1,368)	0	0	(1,368)
Capital Grant Reversal			(56)	0	0	(56)
LGPS - Interest on Liabilities			0	265	0	265
LGPS - Return on Plan Assets			0	(365)	0	(365)
LGPS - Reverse Employer Contributions			0	(302)	0	(302)
LGPS - Current Service Cost			0	203	0	203
Collection Fund Adjustment			0	0	1,227	1,227
Accumulated Absences Account Adj			0	0	5	5
Total Adjustments			**3,334**	**(199)**	**1,232**	**4,367**

The comparative figures for the PFCC for 2024/25 are set out in the table below:

Note to the Expenditure and Funding Analysis (PFCC)	PFCC 2024/25					
	Depreciation	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Staff Pay & Allowances	0	0	0	(10)	0	(10)
Technical Accounting Adjustments	(5,352)	(5,352)	266	0	2	268
Net Cost of Services	**(5,352)**	**(5,352)**	**266**	**(10)**	**2**	**258**
Other Income and Expenditure	0	0	0	(42)	0	(42)
(Surplus)/Deficit on the Provision of Services	**(5,352)**	**(5,352)**	**266**	**(52)**	**2**	**216**
Further Analysis of Adjustments						
Depreciation/Amortisation			5,352	0	0	5,352
Minimum Revenue Provision (MRP)			(871)	0	0	(871)
Revaluations			(728)	0	0	(728)
Direct Revenue Contribution			(3,177)	0	0	(3,177)
Capital Grant Reversal			(310)	0	0	(310)
LGPS - Interest on Liabilities			0	251	0	251
LGPS - Return on Plan Assets			0	(293)	0	(293)
LGPS - Reverse Employer Contributions			0	(153)	0	(153)
LGPS - Current Service Cost			0	143	0	143
Accumulated Absences Account Adj			0	0	2	2
Total Adjustments			**266**	**(52)**	**2**	**216**

6 Expenditure and Income Analysed by Nature

This note provides an analysis of the expenditure and income by the nature of that spend/income.

PFCC 2024/25 £000s	Group 2024/25 £000s	Expenditure and Income	PFCC 2025/26 £000s	Group 2025/26 £000s
		Expenditure		
16,408	109,012	Police Pay & Allowances	14,012	115,713
0	1,622	PCSO Pay & Allowances	0	1,850
957	30,877	Police Staff Pay & Allowances	1,181	32,690
396	4,301	Other Employee Costs	63	4,625
(1,498)	5,473	Premises Related Costs	(1,298)	5,412
1,670	3,564	Transport Related Costs	1,383	3,351
(906)	13,595	Supplies & Services	771	16,167
4,486	9,010	Third Party Payments	4,413	11,027
535	535	External Interest	493	493
(174)	(174)	Loss on the Disposal of Assets	(88)	(88)
4,356	4,768	Technical Accounting Adjustments	2,354	2,215
0	2	Non Distributed Costs	0	131
31	31	Pension Adjustment	134	134
0	297	Termination Payments	113	190
156,652	0	Funding Between PFCC & CC	170,379	0
182,913	**182,913**	**Total Expenditure**	**193,910**	**193,910**
		Income		
(8,568)	(8,568)	Income from Fees & Charges	(9,793)	(9,793)
(17,095)	(17,095)	Income from Grant & Contributions	(20,168)	(20,168)
(1,145)	(1,145)	Interest & Investment Income	(1,278)	(1,278)
(659)	(659)	PFI Grant	0	0
(16,408)	(16,408)	Pensions Top Up grant (Home Office)	(14,012)	(14,012)
(43,875)	**(43,875)**	**Total Income**	**(45,251)**	**(45,251)**
		Use of Reserves		
300	300	Transfer to Earmarked Reserves (Revenue)	(2,474)	(2,474)
(1,719)	(1,719)	Transfer from Earmarked Reserves (Capital)	(294)	(294)
0	0	Transfer to General Reserves	800	800
(1,419)	**(1,419)**		**(1,968)**	**(1,968)**
		External Financing		
(55,578)	(55,578)	Income from Council Tax	(60,508)	(60,508)
0	0	Collection Fund Adjustment	(1,227)	(1,227)
		General Government Grants		
(39,064)	(39,064)	- Home Office Police Grant	(40,510)	(40,510)
0	0	- Home Office Capital Grant & Other Capital Grants	(56)	(56)
		- Revenue Support grant		
(4,850)	(4,850)	- Council Tax Grants (Freeze & Support)	(4,850)	(4,850)
(38,127)	(38,127)	Formula Funding	(39,540)	(39,540)
(137,619)	**(137,619)**	**Total**	**(146,691)**	**(146,691)**
0	**0**	**Deficit on the Provision of Services**	**0**	**0**

7 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Commissioner in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Commissioner to meet future capital and revenue expenditure.

The figures for the Group for 2025/26 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	Group Police Fund Balance £000s	Group Capital Receipts Reserve £000s	Group Total Usable Reserves £000s
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:				
- Pensions costs (transferred to (or from) the Pensions Reserve)	**20e/ Annex B**	18,847	0	**18,847**
- Council tax (transfers to or from Collection Fund)	**20c/28**	1,227	0	**1,227**
- Holiday Pay (transfers to or from Accumulated Absences Account)	**20d**	144	0	**144**
- 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)	**20b**	5,693	0	**5,693**
Total Adjustments to the Revenue Resources		**25,911**	**0**	**25,911**
Adjustments between Revenue and Capital Resources				
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	**31**	(935)	0	**(935)**
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	**29a**	(1,368)	0	**(1,368)**
Total Adjustments between Revenue and Capital Resources		**(2,303)**	**0**	**(2,303)**
Adjustments to Capital Resources				
- Use of the Capital Receipts Reserve to finance capital expenditure	**29a**	0	(1,524)	**(1,524)**
- Application of capital grants to finance capital expenditure	**20b**	(56)	0	**(56)**
Total Adjustments to Capital Resources		**(56)**	**(1,524)**	**(1,580)**
Total Adjustments		**23,552**	**(1,524)**	**22,028**

The comparative figures for the Group for 2024/25 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	Group Police Fund Balance £000s	Group Capital Receipts Reserve £000s	Group Capital Grants Unapplied £000s	Group Total Usable Reserves £000s
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:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	**20e/ Annex B**	19,894	0	0	**19,894**
- Holiday Pay (transfers to or from Accumulated Absences Account)	**20d**	(410)	0	0	**(410)**
- 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)	**20b**	4,624	0	0	**4,624**
Total Adjustments to the Revenue Resources		**24,108**	**0**	**0**	**24,108**
Adjustments between Revenue and Capital					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	**31**	(871)	0	0	**(871)**
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	**29a**	(3,177)	0	0	**(3,177)**
Total Adjustments between Revenue and Capital Resources		**(4,048)**	**0**	**0**	**(4,048)**
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	**29a**	0	(707)	0	**(707)**
- Application of capital grants to finance capital expenditure	**20b**	(310)	0	0	**(310)**
Total Adjustments to Capital Resources		**(310)**	**(707)**	**0**	**(1,017)**
Total Adjustments		**19,750**	**(707)**	**0**	**19,043**

The figures for the PFCC for 2025/26 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	PFCC Police Fund Balance £000s	PFCC Capital Receipts Reserve £000s	PFCC Total Usable Reserves £000s
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:				
- Pensions costs (transferred to (or from) the Pensions Reserve)	**20e/ Annex B**	(199)	0	**(199)**
- Council tax (transfers to or from Collection Fund)	**20c/28**	1,227	0	**1,227**
- Holiday Pay (transfers to or from Accumulated Absences Account)	**20d**	5	0	**5**
- 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)	**20b**	5,693	0	**5,693**
Total Adjustments to the Revenue Resources		**6,726**	**0**	**6,726**
Adjustments between Revenue and Capital Resources				
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	**31**	(935)	0	**(935)**
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	**29a**	(1,368)	0	**(1,368)**
Total Adjustments between Revenue and Capital Resources		**(2,303)**	**0**	**(2,303)**
Adjustments to Capital Resources				
- Use of the Capital Receipts Reserve to finance capital expenditure	**29a**	0	(1,524)	**(1,524)**
- Application of capital grants to finance capital expenditure	**20b**	(56)	0	**(56)**
Total Adjustments to Capital Resources		**(56)**	**(1,524)**	**(1,580)**
Total Adjustments		**4,367**	**(1,524)**	**2,843**

The comparative figures for the PFCC for 2024/25 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	PFCC Police Fund Balance £000s	PFCC Capital Receipts Reserve £000s	PFCC Capital Grants Unapplied £000s	PFCC Total Usable Reserves £000s
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:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	**20e/ Annex B**	(52)	0	0	**(52)**
- Holiday Pay (transfers to or from Accumulated Absences Account)	**20d**	2	0	0	**2**
- 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)	**20b**	4,624	0	0	**4,624**
Total Adjustments to the Revenue Resources		**4,574**	**0**	**0**	**4,574**
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	**31**	(871)	0	0	**(871)**
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	**29a**	(3,177)	0	0	**(3,177)**
Total Adjustments between Revenue and Capital Resources		**(4,048)**	**0**	**0**	**(4,048)**
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	**29a**	0	(707)	0	**(707)**
- Application of capital grants to finance capital expenditure	**20b**	(310)	0	0	**(310)**
Total Adjustments to Capital Resources		**(310)**	**(707)**	**0**	**(1,017)**
Total Adjustments		**216**	**(707)**	**0**	**(491)**

8 Transfers to/from Earmarked Reserves

PFCC/Group Balance 01 April 2024 £000s	PFCC/Group Movement in 2024/25 £000s	PCC/Group Balance 31 March 2025 £000s	Earmarked Reserves	Note	PFCC/Group Movement in 2025/6 £000s	PFCC/Group Balance 31 March 2026 £000s
			Earmarked Capital Reserves			
1,719	(1,719)	0	Estates West Flood Management		0	0
294	0	294	HQ adaptations		(294)	0
2,013	**(1,719)**	**294**	**Total Capital Reserves**	1	**(294)**	**0**
			Constabulary Earmarked Revenue Reserves			
			Budget Stabiliation / Insurance Reserves			
0	250	250	Chief Constable's Operational Reserve	2	0	250
500	0	500	Chief Constable's Contingency	3	0	500
300	0	300	Management of Change Reserve		1,386	1,686
(12)	42	30	Insurance Reserve	4	46	76
373	140	513	Ill Heath Retirements		(194)	319
1,161	***432***	***1593***	**TOTAL Budget Stabiliation / Insurance Reserves**		***1,238***	***2,831***
			Budget Support Reserves			
7,927	(1,607)	6,320	Budget Support Reserve	5	(1,575)	4,745
7,927	***(1,607)***	***6320***	**Total Budget Support Reserves**		***(1,575)***	***4,745***
			Short Term Project Reserves	6		
387	0	387	Body Armour (Future Roll Out)	7	(107)	280
0	380	380	Budget Carry Forwards		519	899
196	0	196	Business Transformation		(154)	42
0	0	0	Safety Camera		30	30
2,960	(805)	2,155	Records Management System		(724)	1,431
28	0	28	Business Intelligence		0	28
92	(44)	48	Firearms Digitisation		(43)	5
238	0	238	ESN Grant Funding C/Fwd		0	238
285	(76)	209	CCTV Reserve		(49)	160
128	0	128	Change Management (S&E Facilitation)		(128)	0
1,326	1,084	2,410	POCA / ARIS Funding		668	3,078
0	25	25	Ammunition smoothing reserve		(30)	(5)
0	120	120	National DDaT - Investment income		(120)	0
0	21	21	National DDaT - Finance Support		(21)	0
0	200	200	Op Olympos (Post Office)		(54)	146
0	62	62	Cambridge Masters Programme		(31)	31
0	1,330	1,330	Targeted Variable Payments		(403)	927
4,200	(1,852)	2,348	National DDaT		(2,348)	0
0	0	0	MOSOVO		21	21
0	0	0	Pension Challenge		104	104
9,840	***445***	***10,285***	**Total Short Term Project Reserves**		***(2,870)***	***7,415***
18,928	**(730)**	**18,198**	**Total CONSTABULARY Earmarked Reserves**		**(3,207)**	**14,991**
			Commissioner's Earmarked Revenue Reserves			
250	0	250	PFCC Operational Reserve	8	0	250
2,858	85	2,943	Commissioned Services Reserve	9	0	2,943
157	(61)	96	PFI - Lifecycle Replacements	10	0	96
0	250	250	Management of Change Reserve		70	320
40	0	40	Crime Accomodation Dilapidation Reserve	11	0	40
637	114	751	The Bridgeway (SASS)		(33)	718
7	0	7	Safer Cumbria Delivery Board		4	11
180	0	180	HQ Security		0	180
80	(31)	49	Portakabin		(31)	18
0	135	135	Hunterlane Refurb		(135)	0
0	558	558	Estates Feasibility Reserve		508	1,066
0	0	0	Community Fund (Established 2025/26)		350	350
21	(20)	1	PFCC Re-branding		0	1
4,230	**1,030**	**5,260**	**Total COMMISSIONER Earmarked Reserves**		**733**	**5,993**
23,158	**300**	**23,458**	**Grand TOTAL Earmarked Revenue Reserves**		**(2,474)**	**20,984**

This note sets out the amounts set aside from the Police Fund balances in earmarked reserves to provide financing for future expenditure plans and the movement on earmarked reserves during 2025/26 (and comparatives for 2024/25).

The purpose of the groups or individual reserves are as follows:

1. Capital Reserves – the capital reserve holds direct contributions from the revenue budget to fund capital schemes within the capital programme.

Constabulary Earmarked Revenue Reserves

2. Chief Constables Operational Reserve – to provide resources to assist in funding unexpected major events, if necessary. The Home Office Financial Management Code recommends that there should be an operational contingency. This reserve was fully utilised in 2023/24 and was replenished by the PFCC in 2024/25.
3. Chief Constables Contingency – reserve held to meet an increase in budget pressure arising in year as a result of budgeting risks taken during the budget process. The establishment of this reserve supported a reduction in the ongoing revenue budget requirement.
4. Insurance Reserve – to offset any insurance claims not specifically detailed in the insurance provision.
5. Budget Support Reserve – to meet the medium term risks associated with balancing the budget in the context of current funding and uncertainties and inflationary pressures.
6. Short Term Project Reserves – To support a variety of locally managed initiatives granted under the scheme of devolved resource management. These are primarily multi-year technology based projects or resources to provide funding for unbudgeted revenue costs within the 2024/25 or 2025/26 financial year.
7. Body Armour Future Roll Out – to equalise the impact on the comprehensive income and expenditure statement of changing levels of expenditure due to the cyclical nature of body armour replacement.

Commissioner's Earmarked Revenue Reserves

8. PFCC Operational Reserve – to provide resources both to back up the annual operational contingency and, in addition, to assist in funding unexpected expenditure/budget pressures in line with the Commissioner's responsibilities. The Home Office Financial Management Code recommends that there should be an operational contingency.
9. Commissioned Services Reserve – to provide resources for future expenditure on existing commitments under PFCC commissioned services.
10. PFI Lifecycle Replacements – to equalise the impact on the comprehensive income and expenditure statement of changing levels of grant income and charges over the period of the PFI contract.
11. Crime Accommodation Reserve- This reserve is to maintain the fabric of the specialist offsite accommodation.

9 Property, Plant and Equipment

The table below summarises the movements in Property, Plant and Equipment during the year:

Property, Plant and Equipment	PFCC/Group					
	Land and Buildings £000s	Vehicles £000s	IT and Technology £000s	Furniture Equipment & Plant £000s	Total Property, Plant & Equipment £000s	PFI Assets Included in P.P.E. £000s
Cost or Valuation						
At 1 April 2025	67,750	9,617	9,433	1,367	**88,167**	8,499
Adjustment to Opening Balance (#)	(302)	0	0	0	**(302)**	148
Additions	0	1,683	1,711	176	**3,570**	
Enhancements	789	0	0	0	**789**	60
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,501	0	0	0	**2,501**	165
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(996)	0	0	0	**(996)**	0
Derecognition - Disposals		(651)	(1,037)	(97)	**(1,785)**	
At 31 March 2026	**69,742**	**10,649**	**10,107**	**1,446**	**91,944**	**8,872**
Accumulated Depreciation & Impairment						
At 1 April 2025	(1,175)	(4,873)	(3,935)	(602)	**(10,585)**	(420)
Adjustment to Opening Balance (#)	(8)	0	0	0	**(8)**	(8)
Depreciation Charge	(1,765)	(1,253)	(1,599)	(146)	**(4,763)**	(216)
Derecognition - Disposals	0	651	1,037	97	**1,785**	0
Depreciation written out to the Revaluation Reserve	2,084	0	0	0	**2,084**	216
Depreciation written out to the Surplus/Deficit on the Provision of Services	436	0	0	0	**436**	0
Depreciation as at 31 March 2026	**(428)**	**(5,475)**	**(4,497)**	**(651)**	**(11,051)**	**(428)**
Net Book Value						
At 31 March 2026	**69,314**	**5,174**	**5,610**	**795**	**80,893**	**8,444**
At 31 March 2025	**66,575**	**4,744**	**5,498**	**765**	**77,582**	**8,079**

The Constabulary has 10 fully electric vehicles and 53 hybrid vehicles on the fleet establishment. These vehicles are made up of a mixture of marked and unmarked fleet but are predominantly marked (90%). The EV vehicles are supported by a network of 15 electric vehicle charging points at HQ and the main deployment centres.

The comparative figures for 2024/25 are set out in the table below:

Property, Plant and Equipment	Land and Buildings £000s	PFCC/Group Vehicles £000s	IT and Technology £000s	Furniture Equipment & Plant £000s	Total Property, Plant & Equipment £000s	PFI Assets Included in P.P.E. £000s
Cost or Valuation						
At 1 April 2024	64,926	9,850	8,326	1,263	**84,365**	8,620
Additions	0	1,324	2,066	104	**3,494**	0
Enhancements	98	0	0	0	**98**	11
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3,142	0	0	0	**3,142**	(132)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	149	0	0	0	**149**	0
Derecognition - Disposals	0	(1,557)	(959)	0	**(2,516)**	0
Assets reclassified (to)/from Held for Sale	(565)	0	0	0	**(565)**	
At 31 March 2025	**67,750**	**9,617**	**9,433**	**1,367**	**88,167**	**8,499**
Accumulated Depreciation & Impairment						
At 1 April 2024	(1,151)	(4,861)	(3,501)	(450)	**(9,963)**	(562)
Depreciation Charge	(1,528)	(1,569)	(1,393)	(152)	**(4,642)**	(177)
Derecognition - Disposals	0	1,557	959	0	**2,516**	0
Depreciation written out to the Revaluation Reserve	1,395	0	0	0	**1,395**	354
Depreciation written out to the Surplus/Deficit on the Provision of Services	144	0	0	0	**144**	0
Impairment written out to the Surplus/Deficit on the Provision of Services	(35)	0	0	0	**(35)**	(35)
Depreciation as at 31 March 2025	**(1,175)**	**(4,873)**	**(3,935)**	**(602)**	**(10,585)**	**(420)**
Net Book Value						
At 31 March 2025	**66,575**	**4,744**	**5,498**	**765**	**77,582**	**8,079**
At 31 March 2024	**63,775**	**4,989**	**4,825**	**813**	**74,402**	**8,058**

Learning and Development Centre , Penrith

9.a Valuations Rolling Programme

The Commissioner carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued every two years. Valuations of land and buildings are carried out on behalf of the Commissioner by Mr. M. Beales BSc (Hons) MRICS, Carigiet Cowen, Suite 2, Telford House, Riverside, Warwick Road, Carlisle CA1 2BT and were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors (RICS). Valuations of vehicles, plant, furniture and equipment are based on historic cost as a proxy for fair value. The basis of the valuations is set out in the accounting policies. The table below sets out details of the land and buildings valuations undertaken over the five year rolling programme.

Valuations Rolling Programme	PFCC/Group Land and Buildings £000s	Vehicles £000s	IT and Technology £000s	Furniture Equipment & Plant £000s	Total Property, Plant & Equipment £000s
Carried at Historical Cost	0	10,649	10,107	1,446	**22,202**
Valued at Current Value as at:					
- 31 March 2024	3,990	0	0	0	**3,990**
- 31 March 2025	38,602	0	0	0	**38,602**
- 31 March 2026	27,150	0	0	0	**27,150**
Total Cost or Valuation	**69,742**	**10,649**	**10,107**	**1,446**	**91,944**

9.b Impairment Review

The Commissioner's professional valuer, Mr. M. Beales BSc (Hons) MRICS, Carigiet Cowen, Suite 2, Telford House, Riverside, Warwick Road, Carlisle CA1 2BT, has made an assessment of the possible effects of material impairment to land and buildings during the financial year. His assessment was based on a number of specific criteria, which, in his opinion, could affect the valuation of assets. The outcome of the assessment process is the valuer has concluded that there are no new impairments. The existing 5% impairment to Workington has a monetary value of £35k in line with the valuation at 31/03/2025.

9.c Property, Plant and Equipment in the Ownership of the Police, Fire and Crime Commissioner

A brief analysis of the Commissioner's principal assets as at 31 March 2026 is set out below:

PFCC/Group As at 31/03/25 2025 Number	Property, Plant and Equipment in Ownership of PFCC	PFCC/Group As at 31/03/25 2026 Number
8	HQ, TPA HQ & Larger Police Stations	8
10	Other Police Stations / Land	10
2	Surplus Properties/ Held for Sale/ Investment Properties	2
341	Vehicles	358

9.d Effects of Changes in Estimates

There have been no material changes in estimates in the 2025/26 accounts.

9.e Gain / Loss on Sale of Property, Plant and Equipment

The table below analyses the (gain)/loss on sale of property, plant and equipment for the year ended 31 March 2026.

Gain/Loss on Sale of Property, Plant and Equipment	PFCC/Group Net Book Value £000s	Costs of Sale £000s	Proceeds of Sale £000s	(Gain) / Loss 2024/25 £000s
Vehicles	0	3	(91)	**(88)**
Total	**0**	**3**	**(91)**	**(88)**

The comparative figures for 2024/25 are set out in the table below:

Gain/Loss on Sale of Property, Plant and Equipment	PFCC/Group Net Book Value £000s	Costs of Sale £000s	Proceeds of Sale £000s	(Gain) / Loss 2024/25 £000s
Vehicles	0	4	(178)	**(174)**
Total	**0**	**4**	**(178)**	**(174)**

Note in 2024/25 £178k (£24k in 2023/24) of receipts from proceeds of sale included in the above table were individually below the £10k threshold for recognition as capital receipts and have therefore been treated as revenue income. This explains why the capital receipts recorded in note 7 show £0k (£0k in 2024/25) rather than £91k (£178k in 2024/25) as above.

10 Assets Held for Sale

Assets held for sale relate to land and buildings that are available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets. The assets are being actively marketed for a sale at a price that is reasonable in relation to its current fair value. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification. The table below shows the movement on Assets Held for Sale in 2025/26 with comparative information for 2024/25.

Assets Held for Sale	PFCC/Group As at 31 March 2025 £000s	2026 £000s
Balance outstanding at start of year	0	560
Newly classified as held for sale	565	0
Revaluation gains/(losses)	(5)	0
Balance outstanding at end of year	**560**	**560**

*During **2024/25 Ravenside Lodge, Wreay** was actively marketed for sale and reclassified as HFS.*

The sale of Ravenside Lodge was completed in 2026/27.

11 Intangible Assets

The Commissioner accounts for his computer 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 within Property, Plant and Equipment. The intangible assets include computer software development and acquisitions. All software is given a finite useful life (5 years) unless at contract inception the expectation of the period that the software is expected to be of use to the Commissioner is longer. The carrying amount of intangible assets is amortised on a straight line basis and is charged to the Comprehensive Income and Expenditure Statement.

A summary of the movements in intangible assets during the year and the position as at 31 March 2026 (with comparatives for 2024/25) is set out in the table below:

PFCC/Group 2024/25 £000s	Intangible Assets	PFCC/Group 2025/26 £000s
	Balance at start of year	
3,415	- Gross carrying amount	2,644
(2,308)	- Accumulated amortisation	(1,789)
1,107	**Net carrying amount at start of year**	**855**
292	Additions	89
(1,064)	Disposals	(1,104)
(544)	Amortisations for the period	(194)
1,064	Amortisation adjustment re disposals	1,104
855	**Net carrying amount at end of year**	**750**
	Comprising	
2,644	- Gross carrying amount	1,629
(1,789)	- Accumulated amortisation	(879)
855		**750**

Intangible Assets *are those which do not have physical substance but are controlled as a result of past events (e.g. software licences) where expenditure is capitalised when it is expected that future economic benefits or service potential will flow from the asset.*

Amortisation *is the practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation.*

12 Private Finance Initiative (PFI)

Private Finance Initiatives (PFI) *are arrangements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor.*

There is currently one PFI scheme recognised on the Balance Sheet and this relates to the Cumberland Basic Command Unit (BCU) deployment centre in Workington. Under the terms of the Commissioner's funding arrangement to the Chief Constable the Commissioner controls all property and, accordingly, the PFI building is recorded on the Balance Sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the Comprehensive Income and Expenditure Statement for the Chief Constable's use of the building and the services provided.

The former Police Authority entered an agreement for the construction and subsequent servicing of the building in September 2001 under a PFI arrangement. Under the agreement the PFI provider constructed the facility and undertakes to make the building available to the Commissioner in a specified condition for a 25 year period in return for a monthly unitary charge payment made by the

Commissioner. In addition the provider delivers a range of services in relation to the building which are specified in the PFI contract. At the end of the contract period the Commissioner has the right to acquire the building at 50% of its market value.

The PFI asset is recognised on the Commissioner's balance sheet along with a corresponding PFI finance lease liability which recognises the Commissioner's outstanding liability to pay for the asset. The PFI asset is depreciated and revalued in the same way as any other asset in accordance with accounting policies.

The amount paid to the PFI operator each year (known as the unitary charge payment) is now split into four elements in the accounts as follows:

- Service Charges – the fair value of the services received during the year which are debited to the relevant function in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write downs is calculated using the same principles as for a finance lease). However, a corresponding increase in the minimum revenue provision is made in accordance with the Commissioner's minimum revenue provision policy.
- Lifecycle replacement costs – a proportion of the amounts payable is posted to the Balance sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

The following information is disclosed in relation to the PFI asset.

12.a Movement on Fixed Assets

The value and movement in value of the asset held under the PFI agreement is analysed in note 9 above.

12.b PFI Finance Lease Liability

The value of Liabilities resulting from the PFI Agreement are shown in the table below:

PFCC/Group As at 31/03/25 £000s	PFI Lease Liability	PFCC/Group As at 31/03/26 £000s
(3,701)	Balance at the start of the year	(3,402)
299	Repayments made during year	338
(3,402)	Balance at the end of the year	**(3,064)**
	Split of liability:	
(338)	Current Liability	(3,064)
(3,064)	Long Term Liability	0
(3,402)		**(3,064)**

12.c Payments Due to be made under PFI Contract

An estimate of the future payments to be made under the PFI contract are shown in the table below. Where applicable an estimated inflation index of 2% (linked to the GDP deflator) per annum has been applied to the payments.

Payments Due under PFI Contract	Repayment of Liability £000s	PFCC/Group Interest Payments £000s	Service Costs £000s	Total £000s
Repayable within one year	3,064	156	306	**3,526**
	3,064	**156**	**306**	**3,526**

The repayment of liability figures include a sum of £2,910k which recognises that there is reasonable certainty that the Commissioner will exercise his right to purchase the PFI building at the end of the PFI contract period. See critical judgement note 2 (page 52) for further explanation.

13 Leases

In 2024/25, the Commissioner applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements was that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability), a right-of- use asset and a lease liability were to be brought onto the Balance Sheet at 1 April 2024. Leases for items of low value (less than £10k) and leases that expired on or before 31 March 2025 were exempt from the new arrangements.

The Commissioner's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles.

13.a Right of Use Assets

This table shows the change in value of right-of-use assets held under leases by the Commissioner in 2025/26 with comparative information for 2024/25.

PFCC/Group 2024/25 Land & Buildings £000s	Vehicles £000s	Equipment £000s	Total PPE £000s		PFCC/Group 2025/26 Land & Buildings £000s	Vehicles £000s	Equipment £000s	Total PPE £000s
1,656	0	404	**2,060**	Balance B/Fwd at Start of Year	1,532	92	364	**1,988**
0	94	0	**94**	Additions	0	0	0	**0**
(124)	(2)	(40)	**(166)**	Depreciation	(124)	(24)	(40)	**(188)**
1,532	**92**	**364**	**1,988**	**Balance C/fwd at End of Year**	**1,408**	**68**	**324**	**1,800**

13.b The Comprehensive Income and Expenditure Statement charges under these arrangements

The Commissioner incurred the following expenses and cash flows in relation to leases 2025/26 with comparative information for 2024/25.

2024/25 £000s	CIES Expenses and Cash Flows incurred in relation to leases	2025/26 £000s
	Comprehensive Income and Expenditure:	
90	Interest expense on lease liabilities	87
20	Expense relating to leases of low-value assets	58
110	**Total**	**145**
	Cash flow statement:	
110	Total cash outflows for leases	**145**

13.c The value of future payments

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

PFCC/Group 31/03/2025 £000s	Maturity analysis of lease liabilities	PFCC/Group 30/03/2026 £000s
161	Less than one year	147
595	One to five years	552
954	More than five years	849
1,710	**Total liabilities**	**1,548**

14 Short-term Debtors

__Debtors__ reflect amounts owing to the Police and Crime Commissioner but not yet received at the end of the financial year.

A breakdown of the amounts owing to the Commissioner as at 31 March 2026 is set out in the table below:

PFCC As at 31 March 2025 £000s	Group As at 31 March 2025 £000s	Short-term Debtors	PFCC As at 31 March 2026 £000s	Group As at 31 March 2026 £000s
8,408	8,408	Trade Receivables	5,985	5,985
3,754	3,754	Prepayments/Payments in Advance	4,188	4,188
		Other Receivable Amounts		
3,408	3,408	- Police Pensioners Prepayment	3,410	3,410
209	209	- Employees (accumulated compensating absences)	525	525
3,872	3,872	- Council Tax - Local Taxpayers (#)	6,425	6,425
962	962	- VAT Reimbursement	560	560
		Less Impairment Allowance for Doubtful Debts:		
(16)	(16)	- Trade Receivables	(13)	(13)
(1,779)	(1,779)	- Local Taxpayers (#)	(3,105)	(3,105)
18,818	**18,818**		**17,975**	**17,975**
		Balances Owed From Chief Constable:		
11,733	0	- Re CC Share of External Creditors	11,429	0
7,105	0	- Re balance of Funding	7,408	0
37,656	**18,818**	**Total Debtors**	**36,812**	**17,975**

The debtors in respect of Local Taxpayers represent the Commissioner's share of the debtors recorded by the two unitary councils in respect of Council Tax. This figure is reduced by the Commissioner's share of their respective impairment allowance for doubtful debts. In a requirement from 2018/19 the Commissioner must show the age profile of debtors in respect of local taxation. The table on the next page provides this analysis.

For 2024/25 the unitary councils did not provide the information required to update these notes, for this reason the figures are shown as the same as in 2023/24.

Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax) can be analysed by age as follows:

PFCC/Group 31 March 2025 £000s	Council Tax Debtors	PFCC/Group 31 March 2026 £000s
1,279	Six Months to One Year	2,256
2,593	More than One Year	4,169
3,872		**6,425**

At the time of preparing the financial statements for 2024/25 the unitary councils had not provided the Commissioner with his share of the fund balances as at 31/03/25. The figures in the table above are therefore shown as exactly the same as in 2023/24.

15 Short-term Creditors

Creditors reflect amounts owed by the Police and Crime Commissioner for goods and services received which had not been paid for at the end of the financial year.

An analysis of the amounts owed by the Commissioner as at 31 March 2026 is set out in the table below:

PFCC As at 31 March 2025 £000s	Group As at 31 March 2025 £000s	Short-term Creditors	PFCC As at 31 March 2026 £000s	Group As at 31 March 2026 £000s
(5,168)	(5,168)	Trade Payables	(5,761)	(5,761)
(463)	(463)	Receipts in Advance	(496)	(496)
(4,259)	(4,259)	Employees (accumulated compensating absences)	(4,719)	(4,719)
(1,340)	(1,340)	Council Tax - Local Taxpayers	(1,566)	(1,566)
(747)	(747)	Council Tax - District Councils	(2,975)	(2,975)
(2,955)	(2,955)	HMRC PAYE Amounts Due	(3,366)	(3,366)
(14,932)	**(14,932)**		**(18,883)**	**(18,883)**
		Balances Owed to Chief Constable:		
(6,616)	0	- Re CC Share of External & Employee Debtors	(7,247)	0
(9,967)	0	- Re balance of Funding	(10,302)	0
(31,515)	**(14,932)**	**Total Creditors**	**(36,432)**	**(18,883)**

16 Provisions

The Commissioner is able to maintain provisions to meet expected future liabilities. The Code of Practice on Local Authority Accounting advises that the value of any provisions be charged to the appropriate part of the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met in the future. The classification of provisions is consistent with the Code of Practice.

A brief description of the purpose of the individual provisions as at 31 March 2026 is provided below:

Insurance liabilities – this provision has been established to meet a number of eventualities from ongoing claims which are not covered by external insurers. In particular, liability risks up to £250k per event (this figure was £25k until 1 November 2014 when the policy excess was increased to £100k, and increased again to £250k from 1 November 2021) are retained by the Commissioner and met internally. The provision for insurance liabilities is subject to an actuarial review on a biennial basis to determine the most appropriate level for the provision based on the circumstances at the time of the review.

Legal Claims – this provision has been established to cover the potential costs relating to a number of legal claims that are currently ongoing.

The table below shows the movements during the year on each of the group provisions and the position as at 31 March 2026.

Provisions	Balance as at 01/04/25 £000s	Reclassifications Between Categories 2025/26 £000s	Additional Provisions Made 2025/26 £000s	Amounts Used in 2025/26 £000s	Unused Amounts Reversed in 2025/26 £000s	Balance as at 31/03/26 £000s
Insurance Liabilities	(1,470)	(610)	(1,298)	464	0	**(2,914)**
Legal Claims	(975)	610	(413)	99	56	**(623)**
Total Provisions	**(2,445)**	**0**	**(1,711)**	**563**	**56**	**(3,537)**

The comparative information for year ended 31 March 2025 is as follows:

Provisions	Balance as at 01/04/24 £000s	Additional Provisions Made 2024/25 £000s	Amounts Used in 2024/25 £000s	Unused Amounts Reversed in 2024/25 £000s	Balance as at 31/03/25 £000s
Insurance Liabilities	(1,470)	(288)	288	0	**(1,470)**
Legal Claims	(902)	(457)	194	190	**(975)**
Total Provisions	**(2,372)**	**(745)**	**482**	**190**	**(2,445)**

17 Financial Instruments

Financial Instruments *are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both* ***financial assets*** *such as loans and receivables and* ***financial liabilities*** *such as creditors and borrowings.*

Under International Financial reporting Standards a full set of disclosure notes are required in respect of financial instruments. These notes for the PFCC/Group are included in Section A of a separate technical appendix at Annex A on pages 104 to 108.

The disclosures include:

- The Categories of Financial Instrument
- Gains and Losses on Financial Instruments
- Fair value of Assets and Liabilities Carried at Amortised Cost
- Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

18 Pensions

The PFCC/Group participates in the Local Government Pension Scheme (LGPS) for Police Staff and three pensions schemes in respect of Police Officers. Under International Financial reporting Standards a full set of disclosure notes are required in respect of Pensions. These notes for the PFCC/Group are included in a separate technical appendix at Annex B on pages 109 to 119.

The disclosures include:

- Details of the pension schemes
- A summary of accounting entries in respect of pensions
- Pensions assets and liabilities recognised in the balance sheet
- Reconciliation of the Fair Value of scheme assets
- Basis for estimating assets and liabilities
- A summary of principal assumptions used by the scheme actuary
- Sensitivity analysis in relation to pensions
- Impact on the Commissioner’s Cash Flows

19 Usable Reserves

> ***Usable reserves** result from the Commissioner's activities and are available to be spent in future years.*

In addition to the Commissioner's Police Fund, which the Commissioner aims to maintain at 3% of budgeted expenditure, the following reserves are maintained and accounted for in line with the Code of practice.

- Capital Receipts Reserve – this reserve is used to hold capital receipts until they are utilised to finance capital expenditure or reduce borrowing.

- Capital Grants Unapplied Account – this reserve is used to hold capital grants until they are utilised to finance capital expenditure.

- Capital Reserve – this reserve is a revenue backed earmarked reserve that has been set aside to fund capital expenditure.

- Earmarked Reserves - The Commissioner has a number of earmarked reserves that exist both to provide a contingency to cushion the effect of unexpected events and to provide a mechanism to build up funds to meet expected liabilities. The Commissioner's earmarked reserves have been formulated in conjunction with the CIPFA guidance on Reserves and Provisions. Details of the earmarked reserves in existence and a brief description as to their purpose is included in note 8 to the accounts (see pages 67-68).

The movement in the Commissioner's Group and Single Entity Usable Reserves is detailed in the Movement in Reserves Statement (see pages 46 to 47), and the disclosure notes relating to Adjustments between the Accounting Basis and Funding Basis under regulations (Note 7) and Transfer to/from Earmarked reserves (Note 8).

20 Unusable Reserves

***Unusable reserves** derive from accounting adjustments and are not available to be spent.*

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Commissioner.

20.a Revaluation Reserve

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

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

The Reserve records the unrealised net gain from the revaluation of non-current assets accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

The movements on the reserve during 2025/26 and the previous year are set out in the table below:

PFCC/Group 2024/25 £000s	Revaluation Reserve	PFCC/Group 2025/26 £000s
23,999	**Balance at Start of Year**	**28,261**
0	Adjustment to Opening Balance	(382)
23,999	**Adjusted Balance at Start of Year**	**27,879**
4,546	Upward revaluation of assets	4,599
(10)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(14)
4,536	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	**4,585**
(274)	Difference between fair value depreciation and historical cost	(311)
(274)	Amount written off to Capital Adjustment Account	**(311)**
28,261	**Balance at End of Year**	**32,153**

20.b Capital Adjustment Account

The Capital Adjustment Account (CAA) absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation reserve was created to hold such gains. Note 7 provides details of the source of all the transactions posted to the account apart from those involving the revaluation reserve.

The movements on the account during 2025/26 and the previous year are set out in the table below:

PFCC/Group 2024/25 £000s	Capital Adjustment Account	PFCC/Group 2025/26 £000s
30,731	**Balance at Start of Year**	**31,446**
0	Adjustment to Opening Balance	12
30,731	**Adjusted Balance at Start of Year**	**31,458**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(4,808)	Charges for depreciation and impairment of non-current assets	(4,951)
728	Revaluation gains/(losses) on Property, Plant and Equipment	(548)
(544)	Amortisation of Intangible assets	(194)
(4,624)		**(5,693)**
274	Adjusting amounts written out of the Revaluation Reserve	311
(4,350)	**Net written out amount of the cost of non-current assets consumed in the year**	**(5,382)**
	Capital financing applied in the year:	
707	Use of the Capital Receipts Reserve to finance new capital expenditure	1,524
310	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	56
871	Statutory provision for the financing of capital investment charged against the General Fund (MRP)	935
3,177	Capital expenditure charged against the Police Fund	1,368
5,065		**3,883**
31,446	**Balance at End of Year**	**29,959**

20.c Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers compared with the statutory arrangements.

The end of year balance on the account reflects the Commissioner's aggregate share of the Surplus/(Deficit) on the Collection fund operated by each of the 2 unitary councils (or billing authorities) that has yet to be distributed. The movements on the account during 2025/26 and the previous year are set out in the table below:

PFCC/Group 2024/25 £000s	Collection Fund Adjustment Account	PFCC/Group 2025/26 £000s
6	Balance at Start of Year	**6**
0	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,227)
6	**Balance at End of Year**	**(1,221)**

A further breakdown of the movement in year by unitary council, is provided in note 28 on page 94.

At the time of preparing the financial statements for 2024/25 the unitary councils had not provided the Commissioner with his share of the fund balances as at 31/03/25. The figures in the table above are therefore shown as exactly the same as in 2023/24.

20.d Accumulated Absences Account

The short-term accumulated absences account absorbs the differences that would otherwise arise on the Police Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave, time off in lieu and rest day entitlements carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

PFCC 2024/25 £000s	Group 2024/25 £000s	Accumulated Absences Account	PFCC 2025/26 £000s	Group 2025/26 £000s
(46)	**(4,460)**	**Balance at Start of Year**	**(48)**	**(4,050)**
46	4,460	Settlement or cancellation of accrual made at the end of the preceding year	48	4,050
(48)	(4,050)	Amounts accrued at the end of the current year	(53)	(4,194)
(2)	**410**	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	**(5)**	**(144)**
(48)	**(4,050)**	**Balance at End of Year**	**(53)**	**(4,194)**

20.e Pensions Reserve

The Pensions Reserves (LGPS and Police) absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding in accordance with statutory provisions. The Commissioner accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Police Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Police, Fire and Crime Commissioner has set aside to meet them. The credit balance on the LGPS Pensions Reserve reflects a surplus on the pension fund, after an asset ceiling adjustment has been applied. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

PFCC LGPS 2024/25 £000s	Group LGPS 2024/25 £000s	Group Police 2024/25 £000s	Pensions Reserve	PFCC LGPS 2025/26 £000s	Group LGPS 2025/26 £000s	Group Police 2025/26 £000s
(14)	**(733)**	**(1,079,290)**	Balance at Start of Year	**(13)**	**(645)**	**(977,000)**
(11)	(362)	0	Adjustment to Opening Balance	0	0	0
(25)	**(1,095)**	**(1,079,290)**	**Adjusted Balance at Start of Year**	**(13)**	**(645)**	**(977,000)**
691	23,549	124,240	Remeasurement of the net defined pension benefit liability/asset	933	2,990	26,100
(101)	(2,243)	(59,630)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(103)	400	(60,540)
153	4,299	37,680	Employer's pension contributions and direct payments to pensioners payable in the year.	302	4,703	36,590
(731)	(25,155)	0	Impact of Asset Ceiling	(1,155)	18,311	0
(13)	**(645)**	**(977,000)**	**Balance at End of Year**	**(36)**	**25,759**	**(974,850)**

21 Related Party Transactions

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

21.a Chief Constable for Cumbria Constabulary

The Police, Fire and Crime Commissioner has direct control over the Chief Constable's finances, providing funding for all running costs and taking responsibility for funding of all pensions' liabilities. The Commissioner is responsible for setting the Police, Fire and Crime Plan. The Chief Constable retains operational independence and operates within the funding arrangement set by the Commissioner, to deliver the aims and objectives set out in the Police, Fire and Crime Plan.

21.b Central Government

Central government has effective control over the general operations of the Commissioner – it is responsible for providing the statutory framework within which the Commissioner operates and provides the majority of its funding in the form of grants. Grants received from government departments are set out in the Comprehensive Income and Expenditure Statement (pages 44-45). Government Grants included within the Net Cost of Services are detailed in note 27 below, the extent to which these grants are outstanding at the end of the year is recorded in short-term debtors note 14.

21.c Members

The Commissioner has nine appointed Members, five who serve on the Joint Audit Committee and four who serve on the Community Scrutiny Panel. These members are required to declare any direct financial relationship through outside bodies or companies with the Commissioner. No material transactions have been reported in respect of the 2025/26 financial year. The total members allowances paid in 2025/26 are shown in note 22.

21.d Officers and Employees

Employees of the Commissioner and senior officers and staff of the Constabulary were asked to declare any direct financial relationship through outside bodies or companies with the Commissioner. No material transactions have been reported in respect of the 2025/26 financial year.

21.e Other Public Bodies

The Commissioner's transactions with the Cumbria Local Government Pension Scheme (administered by the Westmorland & Furness Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex B) pages 109-119.

The amounts received in respect of council tax income from the two Cumbrian Unitary Councils are detailed in note 28.

The Commissioner has included within the Comprehensive Income and Expenditure Statement his respective share of costs in relation to collaborative arrangements with other forces/councils. In particular these include:

- The PCC for Cheshire – North West Underwater Search Unit, North West Armed Policing Collaboration and Northwest Strategic Automatic Number Plate Recognition (ANPR).
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team, Regional Insourced Forensics (Toxicology & Courier).
- The PCC for Lancashire – Regional Forensics (Drugs and Footwear).

22 Members Allowances and Expenses

The Code of Practice on Local Authority Accounting requires the disclosure of the total amount of members allowances paid in the year. This is set out in the table below together with a comparative figure for the previous year.

PFCC/Group 2024/25 £000s	Members Allowances	PFCC/Group 2025/26 £000s
48	Basic Allowance	44
7	Travel and Subsistence	7
55		**51**
	Analysis by Type:	
15	Joint Audit Committee	15
22	Community Scrutiny Panel	18
3	Independent Custody Visitors	3
15	Misconduct Panel	15
55		**51**

The above table includes expenses for the five appointed members of the Joint Audit Committee, the Community Scrutiny Panel, misconduct panels together with travel allowances payable to independent custody visitors. The table above includes the total costs of members and these apply jointly between the Commissioner and Constabulary.

A full disclosure of allowances and expenses paid to individual members can be found on the Police, Fire and Crime Commissioners website at:
https://cumbria-pfcc.gov.uk/finance-governance/allowances

23 Disclosure of Remuneration for Senior Employees

The following tables set out the remuneration disclosures for Senior Officers and Relevant Police Officers whose salary is more than £50,000 per year. The first table provides the information for 2025/26 and the second provides comparatives for 2024/25.

The table below gives the PFCC and Group information for 2025/26 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Benefits in Kind	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Shown in Single Entity Statements of Chief Constable								
Former Chief Constable - Robert Carden	1	121	0	0	0	**121**	29	**150**
Chief Constable - Darren Martland	2	180	(2)	0	0	**178**	0	**178**
Deputy Chief Constable - Jonathan Blackwell	3	151	0	0	0	**151**	49	**200**
Assistant Chief Constable		138	3	(6)	1	**136**	47	**183**
Temporary Assistant Chief Constable (a)		125	12	0	0	**137**	40	**177**
Temporary Assistant Chief Constable (b)	4	116	2	0	0	**118**	41	**159**
Chief Superintendent (Cumberland)		105	4	(4)	1	**106**	37	**143**
Chief Superintendent (Westmorland & Furness)		114	3	(6)	1	**112**	40	**152**
Chief Superintendent (Operations)	5	115	1	(8)	2	**110**	40	**150**
Chief Superintendent (Crime & Intel Command)		116	2	0	0	**118**	40	**158**
Temporary Chief Superintendent (Crime & Intel Command)	6	99	4	(5)	1	**99**	34	**133**
Director of Legal Services		104	1	(1)	0	**104**	20	**124**
Director of Strategic Development		94	1	0	0	**95**	17	**112**
Constabulary Chief Finance Officer		93	0	(20)	0	**73**	18	**91**
Temporary Director of Enabling Services	7	87	0	0	0	**87**	16	**103**
Total Chief Constable		**1,758**	**31**	**(50)**	**6**	**1,745**	**468**	**2,213**
Shown in Single Entity Statements of Police, Fire & Crime Commissioner								
Police, Fire & Crime Commissioner		74	0	0	0	**74**	14	**88**
PFCC Chief Executive		122	0	(5)	0	**117**	23	**140**
OPFCC Chief Finance Officer		110	0	(3)	0	**107**	20	**127**
OPFCC Head of Estates		87	0	(1)	0	**86**	16	**102**
OPFCC Head of Legal Services	8	34	0	0	0	**34**	6	**40**
Total PFCC		**427**	**0**	**(9)**	**0**	**418**	**79**	**497**
Total Group		**2,185**	**31**	**(59)**	**6**	**2,163**	**547**	**2,710**

Notes

1. Chief Constable Carden resigned on transfer to Merseyside Police 31/08/25.
2. Chief Constable Martland became Temp. CC on 09/06/25 and was appointed on a permanent basis on 01/03/26, prior to June 2025 Mr Martland was DCC.
3. ACC Blackwell became Temp. DCC on 09/06/25, and was appointed to the role on a permanent basis on 27/04/26.
4. Ch. Supt Operations became Temp. ACC on 01/03/26.
5. Ch. Supt Enabling Services became Ch Supt Operations on 14/01/26.
6. Temp. Ch. Supt Crime & Intel Command was appointed 26/01/26, prior to this he was Supt. within Crime Command.
7. The Head of DDAT became Temp. Director of Enabling Services on 15/01/26.
8. The OPFCC Head of Legal Services was appointed 27/10/25

The comparative PFCC and Group figures for 2024/25 in £000s, are set out in the table below:

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Shown in Single Entity Statements of Chief Constable									
Chief Constable - Robert Carden		186	(2)	0	0	11	**195**	66	**261**
Deputy Chief Constable		142	3	0	0	0	**145**	0	**145**
Assistant Chief Constable		134	0	0	0	0	**134**	47	**181**
Temporary Assistant Chief Constable (a)		126	12	0	0	0	**138**	38	**176**
Temporary Assistant Chief Constable (b)	1	107	3	0	1	0	**111**	38	**149**
Chief Superintendent (Cumberland)	2	97	3	0	1	0	**101**	34	**135**
Chief Superintendent (Corporate Support)	3	108	1	(1)	1	0	**109**	38	**147**
Temporary Chief Superintendent (Westmorland & Furness)	4	95	6	0	1	0	**102**	33	**135**
Chief Superintendent (Westmorland & Furness)	5	101	4	0	1	0	**106**	35	**141**
Chief Superintendent (Operations)		108	2	0	1	0	**111**	38	**149**
Temporary Chief Superintendent (Crime & Intel Command)	6	94	6	0	0	0	**100**	32	**132**
Chief Superintendent (Crime & Intel Command)	7	81	2	0	1	0	**84**	28	**112**
Director of Strategic Development		87	1	0	1	0	**89**	16	**105**
Constabulary Chief Finance Officer		86	0	(20)	0	0	**66**	16	**82**
Director of Legal Services		99	1	(1)	1	0	**100**	19	**119**
Total Chief Constable		**1,651**	**42**	**(22)**	**9**	**11**	**1,691**	**478**	**2,169**
Shown in Single Entity Statements of Police, Fire & Crime Commissioner									
Police, Fire & Crime Commissioner (a)	8	7	0	0	0	0	**7**	1	**8**
Police, Fire & Crime Commissioner (b)	9	64	0	0	0	0	**64**	12	**76**
PFCC Chief Executive		99	0	(3)	0	0	**96**	18	**114**
OPFCC Chief Finance Officer		90	0	0	0	0	**90**	17	**107**
OPFCC Head of Estates		79	0	(2)	0	0	**77**	15	**92**
Total PFCC		**339**	**0**	**(5)**	**0**	**0**	**334**	**63**	**397**
Total Group		**1,990**	**42**	**(27)**	**9**	**11**	**2,025**	**541**	**2,566**

Notes

1. Ch Supt (Cumberland) appointed to Temporary ACC (b) 17/02/2025
2. Temp Ch Supt (Cumberland) was appointed to the role on 09/09/2024.
3. Ch Supt (Westmorland & Furness) appointed to Ch Supt Futures and Blue light Collaboration on 08/07/2024.
4. Temp Ch Supt (Westmorland & Furness) until 05/05/2024 returned to Detective Supt role.
5. Temp Ch Supt (Crime & Intel) appointed to the role of Ch Supt (Westmorland & Furness) on 06/05/2024
6. Supt (Crime & Intel) appointed to the role of Ch Supt (Crime & Intel) on 06/05/2024
7. Ch Supt (Crime & Intel) appointed on 08/07/2024.
8. Police, Fire and Crime Commissioner (a) resigned 8/5/2024
9. Police, Fire & Crime Commissioner (b) elected 9/5/2024

24 Employee Remuneration

The Code of Practice on Local Authority Accounting requires the disclosure of the number of employees whose remuneration, excluding pension's contributions, exceeded £50,000 and senior police officers (defined as those holding a rank **above** that of superintendent). This is set out in the table below in bands of £5,000:

2024/25				Remuneration Band	2025/26			
PFCC Police Staff	CC Police Staff	CC Snr Police Officers	Group Total		PFCC Police Staff	CC Police Staff	CC Snr Police Officers	Group Total
1	19	0	**20**	£50,000 to £54,999	3	25	0	**28**
1	6	0	**7**	£55,000 to £59,999	3	9	0	**12**
1	3	0	**4**	£60,000 to £64,999	0	4	0	**4**
0	2	0	**2**	£65,000 to £69,999	0	4	0	**4**
0	0	0	**0**	£70,000 to £74,999	1	4	0	**5**
1	5	0	**6**	£75,000 to £79,999	0	0	0	**0**
0	1	1	**2**	£80,000 to £84,999	1	2	0	**3**
1	1	0	**2**	£85,000 to £89,999	1	4	0	**5**
0	0	0	**0**	£90,000 to £94,999	0	2	0	**2**
1	0	0	**1**	£95,000 to £99,999	0	0	1	**1**
0	1	1	**2**	£100,000 to £104,999	0	1	0	**1**
0	0	2	**2**	£105,000 to £109,999	1	0	1	**2**
0	0	2	**2**	£110,000 to £114,999	0	0	2	**2**
0	0	0	**0**	£115,000 to £119,999	1	0	2	**3**
0	0	0	**0**	£120,000 to £124,999	0	0	1	**1**
0	0	0	**0**	£125,000 to £129,999	0	0	0	**0**
0	0	1	**1**	£130,000 to £134,999	0	0	0	**0**
0	0	1	**1**	£135,000 to £139,999	0	0	2	**2**
0	0	1	**1**	£140,000 to £144,999	0	0	0	**0**
0	1	0	**1**	£145,000 to £149,999	0	0	0	**0**
0	0	0	**0**	£150,000 to £154,999	0	0	1	**1**
0	0	0	**0**	£155,000 to £159,999	0	0	0	**0**
0	0	0	**0**	£160,000 to £164,999	0	0	0	**0**
0	0	0	**0**	£165,000 to £169,999	0	0	0	**0**
0	0	0	**0**	£170,000 to £174,999	0	0	0	**0**
0	0	0	**0**	£175,000 to £179,999	0	0	1	**1**
0	0	0	**0**	£180,000 to £184,999	0	0	0	**0**
0	0	0	**0**	£185,000 to £189,999	0	0	0	**0**
0	0	0	**0**	£190,000 to £194,999	0	0	0	**0**
0	0	1	**1**	£195,000 to £199,999	0	0	0	**0**
6	**39**	**10**	**55**	**Total**	**11**	**55**	**11**	**77**

In 2025/26 the remuneration for 701 Police Officers (443 in 2024/25) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000. The large increase represents the impact of the September 2024 and part year impact of the September 2025 pay award.

The table above includes those employees and senior police officers that are also required to be disclosed on a more detailed individual basis. Please see note 23 for more information.

25 Exit Packages/Termination Payments

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

Exit package cost band (including special payments)	Group Number of Compulsory Redundancies		Group Number of other Departures Agreed		Group Total Number of Exit Packages by cost band		Group Total cost of exit packages in each band	
	2024/25 Headcount	2025/26 Headcount	2024/25 Headcount	2025/26 Headcount	2024/25 Headcount	2025/26 Headcount	2024/25 £000's	2025/26 £000's
£0-£20,000	0	0	3	1	3	1	18	4
£20,001 - £40,000	0	0	2	3	2	3	63	91
£40,001 - £60,000	0	0	1	2	1	2	46	91
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	1	0	1	0	171	0
Total	**0**	**0**	**7**	**6**	**7**	**6**	**298**	**186**

During 2025/26 the contracts of a small number of employees were terminated incurring termination payments amounting to £186k (£298k in 2024/25). This amount is made up of exit packages paid in 2024/25.

The exit packages paid in 2025/26 amount to £186k (£298k in 2024/25). The exit packages can be further split into compensation for loss of employment £186k (£161k in 2024/25) and enhanced pension benefits £3k (£137k in 2024/25). The Exit Packages table above provides details of the number and total cost of exit packages per band and include those exit packages paid in 2025/26.

It should be noted that the total cost of termination payments above relating to 2024/25, is offset by income of £103k elsewhere in the accounts. This is due an agreement to split the redundancy costs with a third party at the end of the secondment contract.

26 Audit Fees

In 2025/26 the Commissioner and Chief Constable incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

Group 2024/25 £000s	External Audit Fees	Group 2025/26 £000s
	Amounts Relating to The Police, Fire and Crime Commissioner	
	Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:	
0	- In relation to 2024/25 Audit	(3)
104	- In relation to 2025/26 Audit	107
104		**104**
	Amounts Relating to The Chief Constable	
	Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:	
0	- In relation to 2024/25 Audit	1
57	- In relation to 2025/26 Audit	60
57		**61**
161	**Total External Audit Fees for Year**	**165**

The above table shows the gross fees payable to the external auditor during the year.

The amounts in the table agree to the amounts recorded in the comprehensive income and expenditure statement. External audit fees are determined following a national procurement exercise with the annual scale charges increasing to take account of new audit requirements in areas such as pension scheme valuations and value for money arrangements.

27 Grant Income

The Commissioner credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2025/26.

PFCC/Group 2024/25 £000s	Grant Income	PFCC/Group 2025/26 £000s
	Credited to Taxation and Non Specific Grant Income	
0	Capital grants and contributions - General	56
38,127	Formula Funding (Home Office)	39,540
4,850	Council Tax Freeze & Local Council Tax Support (Home Office)	4,850
39,064	Home Office Police Grant	40,510
659	PFI Grant (Home Office)	0
82,700	**TOTAL**	84,956
	Credited to other Operating Expenditure	
16,408	Police Pension Grant (Home Office)	14,012
16,408		14,012
	Credited to Services	
	Grants and Contributions - Central Government	
606	Apprenticeship Levy (Home Office)	454
291	Pension Remedy Grant (Home Office)	118
489	Criminal Records Bureau (Home Office)	604
3,804	Police Pension Contribution (Home Office)	3,559
4,592	Operation Uplift (Home Office)	4,269
0	Neighbourhood Policing Grant (Home Office)	1,686
17	Drugs Testing on Arrest	0
0	Beaconport (Home Office)	24
355	Safer Streets Fund (Home Office)	0
831	Hotspot Funding (Home Office)	1,000
268	Serious Violence Duty (Home Office)	268
37	Local Communities Funding (Home Office)	53
1,380	Police Pay Award (Home Office)	1,011
1,380	Victims Services (Ministry of Justice)	1,395
0	Dangerous Dogs (Home Office)	114
243	Law Enforcement Data Services	250
0	National DDaT (Home Office)	1,022
0	National insurance (Home Office)	2,054
839	Operations Specific Funding (Home Office)	270
0	Drive DA (Home Office)	189
127	Collaborations (Various)	147
15,259		18,487
	Grants and Contributions - Other	
18	NHS Funding (SASS)	19
389	Local Partnership	451
53	Youth Offending Team (Cumbria CC)	0
1,066	Safer Cumbria Delivery Board (PCC for Cumbria)	1,210
1,526		1,680
16,785	**TOTAL**	**20,167**

28 Income from Council Tax

<u>Precept</u>- The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

The income from Council Tax for 2025/26 is received as precept from the two unitary councils as set out below:

Council Tax Income	Precept Paid 2025/26 £000s	PFCC/Group Adjustment Re Debtors/ (Creditors) £000s	Income from Council Tax £000s
Cumberland Council	30,484	(532)	29,952
Westmorland & Furness Council	31,251	(695)	30,556
	61,735	**(1,227)**	**60,508**

The comparative information for 2024/25 for the unitary councils is as follows:

Council Tax Income	Precept Paid 2024/25 £000s	PFCC/Group Adjustment Re Debtors/ (Creditors) £000s	Income from Council Tax £000s
Cumberland Council	27,846	0	27,846
Westmorland & Furness Council	27,732	0	27,732
	55,578	**0**	**55,578**

At the time of preparing the financial statements for 2024/25 the unitary councils had not provided the Commissioner with his share of the fund balances as at 31/03/25. The figures in the table above are therefore shown as exactly the same as in 2023/24.

29 Capital Expenditure and Capital Financing

Capital expenditure can be defined as expenditure on the acquisition, construction or enhancement of non-current assets which adds to and not merely maintains the value of a non-current asset.

The commissioner approves on an annual basis a capital programme for the Constabulary. The capital programme is fully funded for a five year period to tie in with the medium term financial forecast. The capital programme covers the routine cyclical replacement of ICT equipment and vehicles and also includes specific one off projects. Due to the cyclical nature of the majority of the capital programme, the programme is also modelled at a high level over a 10 year longer term horizon. The capital programme for 2025/26 was approved by the Commissioner at his Public Accountability Conference on 13 February 2025, papers for which can be found on the Commissioner's website.

The capital outturn report for 2025/26 was approved by the Commissioner at Executive Board Police on 19 May 2026 and can also be found on the Commissioner's website.

The total amount of capital expenditure incurred in the year is shown in the table below.

PFCC/Group 2024/25 £000s	Capital Expenditure	PFCC/Group 2025/26 £000s
	Technology Schemes	
1,284	Computer Hardware & Infrastructure	1,091
543	Wide Area Network	135
0	Control Room Futures	178
43	Records Management System	8
109	CCTV Replacement and Analytics	30
87	Other Technology Scheme	269
2,066		**1,711**
1,324	**Vehicles Replacement Scheme**	**1,683**
	Building Schemes	
0	Hunter Lane	67
0	Dog Kennels	405
0	Brampton External Works	85
66	Appleby Refurbishment	149
16	Kendal UPS	0
16	Other Estates Projects	83
98		**789**
	Equipment Schemes	
0	Firearms Targeting system	50
0	Etrack / Key Cabinets	30
31	CCTV/Rapid Deployment Cameras	0
12	Telematics	0
0	LaserCam	19
31	CSI Cameras	9
0	Defibrilators	68
30	Protective Sheilds	0
104		**176**
292	**Intangible Assets**	**89**
3,884	**Total Capital Expenditure**	**4,448**

29.a Capital Financing

The table below illustrates the resources used to finance capital expenditure. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Commissioner, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Commissioner that has yet to be financed. The CFR is analysed below:

PFCC/Group 2024/25 £000s	Capital Financing Requirement	PFCC/Group 2025/26 £000s
20,799	**Opening Capital Financing Requirement**	**21,772**
	Capital investment:	
3,592	Property, Plant and Equipment	4,359
2,154	Right of Use Assets	0
292	Intangible Assets	89
	Sources of Finance:	
(707)	Capital receipts	(1,524)
(310)	Government grants and other contributions	(56)
	Sums set aside from revenue:	
(3,177)	- Direct revenue contributions	(1,368)
(871)	- Minimum revenue provision	(935)
21,772	**Closing Capital Financing Requirement**	**22,337**
	Explanation of Movements in Year:	
(871)	Increase in underlying need to borrow (unsupported by government financial assistance)	(935)
0	Notional/Internal Borrowing	(1,500)
1,844	Assets acquired under finance leases	0
973	**Increase/(Decrease) in Capital Financing Requirement**	**(2,435)**

30 Capital Commitments

The Commissioner has outstanding contractual commitments amounting to £693k in respect of a number of schemes from the 2025/26 capital programme (£1,659k in 2024/25).

PFCC/Group As at 31/03/25 £000s	Outstanding Capital Commitments	PFCC/Group As at 31/03/26 £000s
43	ICT Core Hardware	2
154	ICT Core Hardware - Radio Replacements	0
200	Control Room Futures	14
310	Records Management System	270
712	Vehicle Replacement	106
6	Telematics	24
122	Appleby Refurbishment	0
82	Brampton Wall	0
0	HQ Security	116
30	Minor commitments	161
1,659	**Total**	**693**

31 Minimum Revenue Provision

Regulations 27 and 28 of the Capital Financing and Accounting Regulations 2003 require the Commissioner to make a provision from revenue for the repayment of any undischarged credit liabilities. This is referred to as the Minimum Revenue Provision (MRP). Additional voluntary contributions are permitted, which have the effect of reducing the Commissioner's Capital Financing Requirement.

In line with the Capital Finance and Accounting regulations a Statement of MRP Policy was approved in February 2017 as part of the Treasury Management Strategy Statement. The policy states that MRP will be calculated using the regulatory method for debt incurred prior to 1 April 2008 and on the asset life basis for debt incurred after this date. In respect of PFI assets brought onto the balance sheet under the 2009 SORP, the MRP provision will match the annual principal repayment for the associated deferred liability.

The Minimum Revenue Provision charged for the year 2025/26 (and comparatives for 2024/25) is made up as follows:

PFCC/Group 2024/25 £000s	Minimum Revenue Provision	PFCC/Group 2025/26 £000s
	Minimum Revenue Provisions (MRP)	
438	Core MRP	436
299	PFI MRP	338
134	Finance Lease / Right of Use Asset MRP	161
871	**Total MRP for Year**	**935**

32 Accounting Standards that have been Issued but have not yet been Adopted

For 2025/26 the following accounting policy changes that need to be reported relate to:

a) Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
b) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
c) Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
d) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

In the Financial Statements for 2026/27, the effect of the changes will be assessed and where necessary, the comparative figures restated.

33 Pensions Notes

The Chief Constable of Cumbria along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

Legal Claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons, and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims will be settled under the current compensation mechanism that is provided for under the Public Service Pensions & Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

Impact of High Court Ruling in the case of Virgin Media Ltd vs NTL Pensions Trustees II Ltd (and others)

The ruling relates to actuarial certifications under section 37 of the Pension Schemes Act 1993. This case potentially has implications for the validity of amendments made by schemes which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. To address this, there is draft legislation which allows for remedial action, though this is yet to receive Royal Assent. There is uncertainty on whether there is potential read across to public service pension schemes. We understand that schemes continue to administer benefits and recognise liabilities in accordance with scheme regulations currently in force. No additional costs are assumed to be recognised in the 2025/26 accounting disclosures. This approach is the same as last year.

Police Officer Pension Fund Account

Police Officer Pension Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2025/26 financial year together with comparative information for 2024/25.

Group 2024/25 £000s	Police Officer Pension Fund Account	Group 2025/26 £000s
	Contributions Receivable	
	Employer	
(19,923)	- Contributions (35.3% in 2024/25 and 2025/26)	(21,104)
	Officers' Contributions	
(128)	- 1987 Scheme Member Contributions (see narrative for rates)	(90)
(7,603)	- 2015 Scheme Member Contributions (see narrative for rates)	(8,068)
(27,654)		**(29,262)**
(11)	Transferees in from Other Schemes	(250)
(180)	Capital Equivalent charge for ill-health schemes	(514)
(191)		**(764)**
	Benefits Payable	
39,220	Recurrent Pensions	40,080
5,072	Commutations and Lump Sums	3,703
(109)	Other (Scheme Pays)	302
44,183		**44,085**
	Payments to and on Account of Leavers	
94	Refund of Contributions	57
8	Transfer out to other schemes	30
102		**87**
16,440	**Net Amount Payable for the Year**	**14,146**
(16,440)	Additional Contribution from the Police, Fire & Crime Commissioner	(14,146)
0	**Net Amount Payable (Receivable) for the Year**	**0**

Net Assets Statement

This statement shows the net assets and liabilities of the scheme as at 31 March 2026.

Group 2024/25 £000s	Pension Fund Net Assets & liabilities	Group 2025/26 £000s
	Current Assets	
3,284	Pensions Benefits paid in advance	3,322
	Current Liabilities	
(3,284)	Amount due to the Police, Fire & Crime Commissioner	(3,322)

Notes to the Police Officer Pension Fund Account

Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the requirements of the Police Pension Fund Regulations 2015 (SI 2015 No 445). The Pension Fund Accounts are administered by the Chief Constable and have been prepared on an accruals basis.

Operation of Police Pensions Schemes

Since 1 April 2015 the Chief Constable has operated three Pensions Schemes for Police Officers. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they fall due. The original Police Officer Pension scheme is known as the 1987 scheme. The second scheme was introduced in April 2006 with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All Police Officers recruited from April 2006 onwards automatically become members of the 2006 scheme and the previous 1987 scheme was closed to new members. Officers who were members of the 1987 scheme were allowed by regulation to become members of the 2006 scheme if they wished.

From 1 April 2015, a new pension scheme was introduced for Police Officers, known as the 2015 Scheme. The 2015 scheme is based on career average revalued earnings (CARE). All Police Officers recruited from 1 April 2015 automatically become members of the new scheme and the two previous schemes (1987 and 2006) have been closed to new members from that date. Members of the two older police pension schemes received full protection to 31 March 2022, transferred to the new 2015 scheme on 1 April 2015, or transferred on different tapering dates in the future subject to individual circumstances around age and length of service remaining. All members transferred to the 2015 Scheme on 1 April 2022 when the legacy schemes 1987 and 2006 closed. Many members who were previously members of the 1987 or 2006 schemes may be eligible for pension remedy, which gives them the option to choose whether to take benefits from their legacy scheme or the 2015 CARE scheme for 1st April 2015 to 31st March 2022, subject to a pension contribution adjustment. This regardless of whether they were previously protected or not. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2025/26 and 2024/25.

The financial statements for the Police Officer pension fund account do not take account of liabilities to pay pensions and other benefits after the period end. Details of the Chief Constable's long term pensions obligations can be found in the main accounting statements (see Balance Sheet page 48). Detailed disclosure notes regarding the Police Pension schemes can be found in the Technical Annex to the Statement of Accounts (Annex B Pensions on pages 109-119).

Funding of Police Pension Schemes

In 2006/07 a new arrangement was established to fund Police Pensions. This revised arrangement is for both new and existing police officer schemes, but has no effect on the benefit structures of either scheme. The purpose of the change is to smooth fluctuations in costs, that would previously have been charged to the Chief Constable's Comprehensive Income and Expenditure Statement on a 'pay as you go basis', and to more clearly show the effect of the liability as opposed to current pension payments. Under the revised arrangements the liability for payment of police pensions is removed from the Chief Constable and replaced with an employers' contribution, currently set at 35.3% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. The employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to periodic revaluation by the Government Actuary's Department. Pensions are then paid from this account. The pensions account is balanced to nil annually, with any shortfall met by a top up from the Commissioner, or vice versa. However, the Home Office indemnify the Commissioner against any financial liability arising from a deficit on the Pension Account by providing a grant to the Commissioner equal to the Commissioner's top up. Similarly, any surplus on the Pension Account is ultimately repayable to the Home Office.

Glossary of Terms

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

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

Agency Costs
Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

Amortisation/Amortised Cost
The practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation, though in practice amortisation tends to be used for the write-off of intangible assets, such as computer software.

BCU
Basic Command Unit.

Budget
A statement of the Police, Fire and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police, Fire and Crime Commissioner before the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Adjustment Account
The CAA records the balance of resources set aside to finance capital expenditure (i.e. Capital Receipts, Minimum Revenue Provision (MRP), Direct Revenue Contributions (DRC) and Deferred Grants Account (DGA)) and also the consumption of resources associated with the historical cost of acquiring, creating or enhancing non-current assets over the life of those assets (i.e. depreciation/impairment).

Capital Expenditure
As defined in section 16 of the Local Government Act 2003 and regulation 25 of the Capital Finance and Accounting Regulations 2003, but broadly 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 (CFR)
The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.

Capital Receipt
Monies received from the sale of capital assets, which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules prescribed by Central Government. Capital Receipts cannot be used to finance revenue expenditure, with the exception that up to 4% of sale proceeds may be transferred to the General Fund to finance costs directly associated with the disposal of the asset.

Cash and Cash Equivalents
Cash is represented by cash in hand and in bank accounts. Cash Equivalents include demand deposits with financial institutions which are highly liquid in that they are repayable without penalty on notice of not more than 24 hours.

CC or Chief Constable
The Chief Constable of Cumbria Constabulary.

CFO
The PFCC Chief Finance Officer.

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

Commissioner
The Police, Fire and Crime Commissioner for Cumbria.

Componentisation
Identifying and depreciating the components of an asset separately if they have differing patterns of benefits relative to the total cost of the asset.

Contingency
A sum set aside to meet unforeseen expenditure.

Creditors
Amounts owed by the Police, Fire and Crime Commissioner for goods and services provided which had not been paid for at the end of the financial year.

Glossary of Terms

Debtors
Amounts owing to the Police, Fire and Crime Commissioner but not received at the end of the financial year.

Depreciation
The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-minimis
In general the term means lacking in significance or importance. In terms of the accounts, a de-minimis limit is set for inclusion of projects in the capital programme, below this limit projects would be charged to revenue budgets.

Direct Revenue Contributions (DRC)
Resources provided from the Police, Fire and Crime Commissioner's revenue budget to finance the cost of capital projects.

Earmarked Reserves
Those elements of the Police Fund that have been set aside, "earmarked", for specific purposes.

Fair Value
In accounting and economics, fair value is a rational and unbiased estimate of the potential market price of a good, service, or asset.

Hedge Funds
A hedge fund is a pooled investment vehicle administered by a professional management firm, and often structured as a limited partnership/ limited liability company. Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments.

Heritage Assets
A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture.

HMICFRS
His Majesty's Inspectorate of Constabulary and Fire & Rescue Services who are a government agency responsible for monitoring the standards and performance of Constabularies and Fire and Rescue Services.

IDSVA
Independent Domestic and Sexual Violence Advisor.

Impairment/Impaired
A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Investment Property
Property (land or building) held solely to earn rentals or for capital appreciation or both, rather than for operational reasons such as the provision of services.

Leasing
A method of financing expenditure over a period of time. There are two main types of lease:

- Finance Lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Police, Fire and Crime Commissioner's balance sheet at a current valuation.

- Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

MHCLG
Department for Housing, Communities and Local Government (formerly DLUHC and DCLG).

Minimum Revenue Provision (MRP)
The minimum amount which must be set aside in the Revenue Account each year as a provision for credit liabilities.

Non-current Assets
An asset, which will yield a benefit to the Police and Crime Commissioner for a period of more than one year.

NPCC
The National Police Chiefs Council.

PFCC
The Police, Fire and Crime Commissioner for Cumbria.

Pension actuarial gains and losses
For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or
- the actuarial assumptions have changed.

Glossary of Terms

Pension – current service costs
The increase in the present value of a defined benefit's liabilities expected to arise from employee service in the current period.

Pension – defined benefit scheme
A pension or other retirement benefit scheme other than a defined contribution scheme. The scheme rules define the benefits independently of the contribution payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

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

Pension – interest costs
For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Pension - past service costs
For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Police Objective Analysis (POA)
The Police Objective Analysis (POA) is a model developed by the Home Office for analysing individual policing areas expenditure. It has been developed to support the need for understandable, accurate and consistent costing information to allow internal and inter-force comparisons.

Precept
The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

Private Equity Funds
A private equity fund is a collective investment scheme used for making investments in various equity (and to a lesser extent debt) securities according to one of the investment strategies associated with private equity.

Provision
An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

Public Works Loan Board (PWLB)
A Government agency which provides longer term loans to Local Authorities at interest rates which are only slightly higher than those at which the government itself can borrow.

Reserves
An amount set aside for a specific purpose and carried forward to meet expenditure in future years. The Police Fund represents accumulated balances which may be used to support future spending.

Revaluation Reserve
The revaluation reserve records the unrealised net gain from revaluation of non-current assets made after 1 April 2007. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

SERCOP
The CIPFA Service Reporting Code of Practice. It was introduced as part of the Best Value Regime to bring about more consistent accounting treatment of costs and to facilitate more meaningful financial comparisons between Authorities.

The Commissioner
The Police, Fire and Crime Commissioner for Cumbria.

Annex A – Technical Annex – Financial Instrument Disclosures

***Financial Instruments** are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as cash & equivalents, investments and debtors and **financial liabilities** such as creditors and borrowings.*

A1 Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

PFCC Long Term 31 March 2025 £000s	PFCC Current 31 March 2025 £000s	Group Long Term 31 March 2025 £000s	Group Current 31 March 2025 £000s	Categories of Financial Instruments	PFCC Long Term 31 March 2026 £000s	PFCC Current 31 March 2026 £000s	Group Long Term 31 March 2026 £000s	Group Current 31 March 2026 £000s
				Financial Assets				
				Cash and Cash Equivalents				
0	4,354	0	4,354	Imprest and cash	0	2,785	0	2,785
0	**4,354**	**0**	**4,354**	**Total cash and cash equivalents**	**0**	**2,785**	**0**	**2,785**
				Debtors				
0	8,344	0	8,388	Debtors held at Amortised Cost	0	5,887	0	5,955
0	29,312	0	10,430	Items not classified as Financial Instruments	0	30,925	0	12,020
0	**37,656**	**0**	**18,818**	**Total Debtors**	**0**	**36,812**	**0**	**17,975**
0	**42,010**	**0**	**23,172**	**Total Financial Assets**	**0**	**39,597**	**0**	**20,760**
				Financial Liabilities				
				Creditors				
0	(575)	0	(5,169)	Creditors held at Amortised Cost	0	(2,308)	0	(5,760)
0	(30,941)	0	(9,764)	Items not classified as Financial Instruments	0	(34,123)	0	(13,122)
0	**(31,516)**	**0**	**(14,933)**	**Total Creditors**	**0**	**(36,431)**	**0**	**(18,882)**
				Other Long-term Liability (PFI/Finance Lease)				
(4,613)	(498)	(4,613)	(498)	PFI & Finance Lease Liabilities	(1,401)	(3,212)	(1,401)	(3,212)
(4,613)	**(498)**	**(4,613)**	**(498)**	**Total other long term liabilities**	**(1,401)**	**(3,212)**	**(1,401)**	**(3,212)**
(4,613)	**(32,014)**	**(4,613)**	**(15,431)**	**Total Financial Liabilities**	**(1,401)**	**(39,643)**	**(1,401)**	**(22,094)**

A2 Gains and Losses on Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in 2025/26 relating to financial instruments are made up as follows:

PFCC/Group 2024/25				Gains and Losses on Financial Instruments	PFCC/Group 2025/26			
Financial Liabilities Held at amortised cost £000s	Financial Liabilities PFI/Finance Lease £000s	Financial Assets Loans & Receivables £000s	Total £000s		Financial Liabilities Held at amortised cost £000s	Financial Liabilities PFI/Finance Lease £000s	Financial Assets Loans & Receivables £000s	Total £000s
0	535	0	**535**	Interest Expense	0	493	0	**493**
(5)	0	0	**(5)**	Impairment Losses (Impairment Allowance for Doubtful Debts Increase)	0	0	0	**0**
(5)	**535**	**0**	**530**	**Total Expenses in (Surplus) or Deficit on the Provision of Services**	**0**	**493**	**0**	**493**
0	0	(1,145)	**(1,145)**	Interest Income	0	0	(1,278)	**(1,278)**
0	0	0	**0**	Impairment Gain (Impairment Allowance for Doubtful Debts Reduction)	3	0	0	**3**
0	**0**	**(1,145)**	**(1,145)**	**Total Income in (Surplus) or Deficit on the Provision of Services**	**3**	**0**	**(1,278)**	**(1,275)**
(5)	**535**	**(1,145)**	**(615)**	**Net (Gain)/Loss for the Year**	**3**	**493**	**(1,278)**	**(782)**

A3 Fair value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and assets represented by loans, investments, cash and cash equivalents and long term debtors and creditors are carried in the balance sheet at amortised cost. Financial Instruments are to be measured at fair value. The fair value hierarchy must now be followed, whereby inputs used in the valuation techniques for assets and liabilities are prioritised to give the most accurate and appropriate measurement of fair value. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other that quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. For example, where the instrument is not actively marketed or measurable, quoted prices of similar assets or liabilities may be used.
- Level 3 – unobservable inputs for the asset or liability.

The fair valuation of the PFCC's long term liabilities is classed as level 2 in the hierarchy.

The PFCC reviews the categorisation of inputs when new formal valuations are undertaken and when trigger events occur (for example a major change of tenant of a rented property, or change in Bank of England base lending rate). The change in category is reported at the next financial year-end following the trigger event.

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

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced amount.
- In calculating the fair value of the PFI a discount rate based on the returns of a zero coupon AA corporate bond have been used to discount future cash flows as this instrument has an estimated risk profile equivalent to that of public sector PFI schemes.

The fair values calculated are as follows:

PFCC 31 March 2025 Carrying Amount £000s	PFCC 31 March 2025 Fair Value £000s	Group 31 March 2025 Carrying Amount £000s	Group 31 March 2025 Fair Value £000s	Fair Values of Assets and Liabilities	PFCC 31 March 2026 Carrying Amount £000s	PFCC 31 March 2026 Fair Value £000s	Group 31 March 2026 Carrying Amount £000s	Group 31 March 2026 Fair Value £000s
				Financial Liabilities				
(31,516)	(31,516)	(14,933)	(14,933)	Creditors	(36,431)	(36,431)	(18,882)	(18,882)
(5,111)	(4,808)	(5,111)	(4,808)	Other Long-term Liabilities (PFI/Finance Lease)	(4,613)	(3,485)	(4,613)	(3,485)
(36,627)	**(36,324)**	**(20,044)**	**(19,741)**		**(41,044)**	**(39,916)**	**(23,495)**	**(22,367)**
				Financial Assets				
4,354	4,354	4,354	4,354	Cash and Cash Equivalents	2,785	2,785	2,785	2,785
37,656	37,656	18,818	18,818	Debtors	36,812	36,812	17,975	17,975
42,010	**42,010**	**23,172**	**23,172**		**39,597**	**39,597**	**20,760**	**20,760**

For financial assets the fair value is shown to be the same as the carrying amount as the investments are for a short period and there is no option to vary the amount or timing of repayment.

In relation to the PFI, the fair value exceeds the carrying amount as a result of the historically higher level of interest rates prevailing at the inception of the PFI arrangement and the interest rate implicit within the PFI agreement.

Annex A – Technical Annex – Financial Instrument Disclosures

A4 Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

The Commissioner's activities expose it to a variety of financial risks. The Commissioner's annual Treasury Management Strategy focuses on these risks and seeks to minimise potential adverse effects on the resources available to fund services. The Commissioner provides written policies within its Treasury Management Strategy covering interest rate risk, credit risk and the investment of surplus cash balances. A copy of the current Treasury Management Strategy Statement can be found on the Police, Fire and Crime Commissioner's website at: https://cumbria-pfcc.gov.uk/finance-governance/budget-finance/treasury-management.

A4 (i) Credit Risk

***Credit Risk** is the possibility that other parties might fail to pay amounts due to the Commissioner.*

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

This risk is minimised through the application of policies set out in the annual Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody's ratings services. The annual TMSS (approved by the Commissioner in February 2025), also imposes a maximum sum to be invested with a financial institution located within each category.

The credit criteria as set out in the 2025/26 TMSS in respect of financial assets held by the Commissioner are detailed below:

Financial Asset Category	Minimum Criteria	Maximum Investment
Deposits with major UK and non UK Banks and Building Societies	A- The maximum duration of investments varies according to the credit rating. The only exception to this is the NatWest bank (Currently BBB+) which provides the day to day banking services to the Commissioner	Maximum per institution or Group £2m (varies according to credit rating). Maximum of all deposits £20m.
Deposits with Money Market Funds/Pooled Funds	Long Term: AAA	£4m per fund. Maximum of all deposits £20m.
Deposits with Government (includes HM Treasury and other Local Authorities)	Not credit rated but are legally required to set a balanced budget.	£4m per Local Authority, unlimited with HM Treasury. Maximum of all deposits – No Limit.

Annex A – Technical Annex – Financial Instrument Disclosures

The Commissioner's maximum exposure to credit risk in relation to its investments in banks, building societies and other Local Authority's of £3m at the balance sheet date cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Commissioner's deposits, but there was no evidence at the 31 March 2026 that this was likely to happen.

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

Potential Maximum Exposure to Credit Risk	Amount at 31/03/26 £000s	Historical Experience of Default %	Historical Experience Adjusted for Market Conditions at 31/03/25	Estimated maximum exposure to default and uncollectability £000s	Comparative Estimated maximum exposure at 31/03/25 £000s
Customers - Operational Debtors	9,831	0.02%	0.13%	13	16

The Commissioner does not generally allow credit for customers. At the 31 March 2026, £140k (1.4%) of the £9.831m balance of operational debt was past the due date for payment. This sum has reduced from the balance at 31 March 2025 (£230k (2.2%) out of £10.711m overdue). The Commissioner has reduced the bad debt provision as at 31 March 2026 to £13k following a detailed analysis of amounts outstanding to reflect the degree of uncertainty around a number of the longer standing debts. The past due amount can be analysed by age as follows:

PFCC/Group As at 31 March 2025 £000s	Aged Debt Past Due Date	PFCC/Group As at 31 March 2026 £000s
10,711	Total Operational Debtors	**9,831**
	Aged Debt past its due date by:	
158	1-30 Days	39
18	31-60 Days	5
0	61-90 Days	1
1	91-120 Days	35
12	121-150 Days	3
41	150+ Days	57
230		**140**

A4 (ii) Liquidity Risk

***Liquidity Risk** is the possibility that the Commissioner might not have funds available to meet its commitments to make payments.*

As the Commissioner has ready access to borrowings from the PWLB and had at 31 March 2026 no actual long term external debt having financed a number of recent projects through internal borrowing, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. A more pertinent risk is that the Commissioner will be required to replenish a significant proportion of its internal borrowings at a time of unfavourable interest rates. At the balance sheet date the Commissioner is confident that it has adequate working capital principally as a result of its reserves to mitigate this risk. Nevertheless, prevailing money market rates are regularly monitored with a view to ensuring that long term debt financing decisions are made at the optimum time.

All operational liabilities are due to be repaid within one year.

A4 (iii) Market Risk

***Market Risk** is the possibility that financial loss might arise for the Commissioner as a result of changes in such measures as interest rates and stock market movements.*

The Commissioner is exposed to some risk due to movements in interest rates on its loans and investments. These potential risks are:

- An increase in interest rates will result in a fall in the fair value of borrowings and investments.
- A decrease in interest rates will result in a rise in the fair value of borrowings and investments.
- The value of interest received from investments will rise or fall depending on increases and decreases in interest rates and will impact on the Comprehensive Income and Expenditure Statement.

As all of the Commissioner's existing borrowings and investments have been placed at fixed rates, this risk has to a large extent been minimised.

Borrowings and investments are carried in the Balance Sheet at fair value, so nominal gains and losses on fixed rate financial instruments have no impact on the Comprehensive Income and Expenditure Statement.

The Commissioner carries out its borrowing and investment function within parameters set out in its Treasury Management Strategy, which assesses interest rate exposure to feed into the budget process. Forecasts are updated regularly throughout the year, which allows any significant changes to interest rates to be reflected in current budget projections.

The Treasury Management Strategy also advises on the limits for new variable and fixed–rate borrowing for the year. No new external long-term borrowing was undertaken in 2025/26.

Annex B – Technical Annex – Pensions Disclosures

B1 Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire, under IAS 19 the Commissioner must recognise its future commitment to make payments, which need to be disclosed at the time that employees earn their future entitlement. In addition, the financial statements should contain adequate disclosure of the costs of providing benefits and related gains/losses.

Individually there are three pension schemes for police officers (1987, 2006 and 2015 schemes) and a single scheme for police staff (LGPS). They are all defined benefits schemes.

- The Local Government Pension Scheme (LGPS)

  Police staff, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which is a funded defined benefit scheme. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

  The LGPS for Police Staff employees, is administered by Westmorland & Furness Council (outsourced to Lancashire County Council) – this is a funded defined benefit scheme, meaning that the Commissioner and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets over the long term. On 01 April 2023 the employer contribution rates were increased and during 2025/26 the Commissioner made a contribution of 18.6% of pensionable pay in respect of OPFCC employees and 18.9% for Constabulary employees. In 2025/26 the Commissioner received a refund of pension fund surplus of £385k (PFCC £12k, Constabulary £373k). For 2024/25 the refund of pension fund surplus was £374k (PFCC £12k, Constabulary £362k). The contribution rate was last reviewed in March 2025 with revised rate for employers contributions of 17.4% of pensionable pay in respect of OPFCC employees and 17.1% for Constabulary employees being applicable from April 2026. The contribution rate will next be reviewed in March 2028 with a revised rate for employers contributions being applicable from April 2029.

- The Police Pension Scheme

  There are currently three pension schemes in operation for Police Officers:
  - The original Police Pension Scheme (PPS) is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976.
  - The new Police Pensions Scheme (NPPS) is also governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006).
  - The 2015 Police Pensions Scheme is a career average revalued earnings (CARE) scheme and is governed by the Police Pensions Scheme 2015 Regulations and related regulations under the Police Pensions Act 1976.

  The Police Pension Scheme is an unfunded scheme (i.e. there are no investment assets built up to meet pension liabilities and cash has to be generated to meet actual pensions payments as they fall due). The funding arrangements for police officers' pensions changed on 1st April 2006. Before April 2006 pensions of former employees were required to be met on a 'pay as you go' basis with the cost charged to the revenue account. From April 2006 onwards the payments made during the year under the scheme are funded by a combination of employee contributions and employer contributions charged to the Comprehensive Income and Expenditure Statement with the remaining deficit funded by a specific Home Office grant. The employer's contribution was increased to 35.3% from 1st April 2024 and has remained at this level for 2025/26.

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The Commissioner and employees pay contributions into a separate pensions fund account administered by the Commissioner from which on-going pensions liabilities are met. At the year-end any surplus or deficit on the pensions fund account is paid to or met by the Commissioner who then repays or is reimbursed by the Home Office.

Also from 1st April 2006 legislation required the operation of a Pension Fund Account (shown on pages 99-100). The amounts that must be paid into and out of the fund are specified by regulation. Officers' contributions and the employer's contributions are paid into the pension fund account from which pension payments are made. Any shortfall on the pension fund account is met by a contribution from the Police Fund. A Home Office Grant is received to cover this contribution. Conversely, a surplus on the Pension Fund Account would result in a contribution to the police fund, which would then be recouped by the Home Office.

The principal risk to the Commissioner of the schemes are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Police Fund the amounts required by statute as described in the accounting policy.

Defined Benefit Scheme – A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be ***funded*** or ***unfunded***.

A **funded** scheme is one where employers and employees pay contributions into a fund. The payments to pensioners are then made from this fund.

An **unfunded** scheme is one where there is no fund with investment assets built up to meet pension liabilities and cash has to be generated (from employee and employer contributions) to meet the actual pension payments as they fall due.

The Accounts show the full implementation of IAS19 (Employee Benefits). IAS19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable to the pension fund during the year, an appropriation is made within the pensions reserve equal to the net change in the pensions liability recognised in the Comprehensive Income and Expenditure Statement. The neutralising entry is made through the Movement in Reserves Statement. The Balance Sheet discloses the net liability in relation to retirement benefits. The figures are based on the Actuary's latest estimate.

There are restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and are accounted for using the same policies as applied to the LGPS.

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The cost of retirement benefits is recognised in the Cost of Services within the Comprehensive Income and Expenditure Statement when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the contributions in the year, so the real cost of retirement benefits is reversed out of the Police Fund in the Movement in Reserves Statement.

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

Group							Group					
LGPS		Police Scheme			Total	Pension Transactions in MiRS and CI&ES	LGPS		Police			Total
Funded 2024/25 £000s	Unfunded 2024/25 £000s	1987 2024/25 £000s	2006 2024/25 £000s	2015 2024/25 £000s	All Schemes 2024/25 £000s		Funded 2025/26 £000s	Unfunded 2025/26 £000s	1987 2025/26 £000s	2006 2025/26 £000s	2015 2025/26 £000s	All Schemes 2025/26 £000s
						Comprehensive Income and Expenditure Statement						
						Cost of Services						
						Service cost comprising:						
4,041	0	410	**0**	**8,630**	**13,081**	• Current service cost	3,161	0	490	0	5,690	**9,341**
2	0	0	**0**	**0**	**2**	• Past service costs	0	0	0	0	0	**0**
0	0	0	0	0	**0**	• (Gain)/loss from settlements/curtailments	131	0	0	0	0	**131**
						Financing and Investment Income and Expenditure						
(1,835)	35	43,390	1,760	5,440	**48,790**	• Net interest expense	(3,727)	35	46,370	1,770	6,220	**50,668**
2,208	**35**	**43,800**	**1,760**	**14,070**	61,873	**Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services**	**(435)**	**35**	**46,860**	**1,770**	**11,910**	**60,140**
						Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement						
						Remeasurement of the net defined benefit liability comprising:						
5,358	0	0	0	0	**5,358**	• Return on plan assets (excluding the amount included in the net interest expense)	(9,017)	0	0	0	0	**(9,017)**
(468)	(2)	(1,160)	(90)	(490)	**(2,210)**	• Actuarial (gains) and losses arising on changes in demographic assumptions	(285)	0	0	0	0	**(285)**
(28,527)	(52)	(91,670)	(7,270)	(23,810)	**(151,329)**	• Actuarial (gains) and losses arising on changes in financial assumptions	(2,589)	0	(25,660)	(1,350)	(5,670)	**(35,269)**
(53)	0	220	200	(170)	**197**	• Experience (gains) and losses on liabilities	8,672	22	24,860	3,220	(21,500)	**15,274**
195	0	0	0	0	**195**	• Administration expenses	207	0	0	0	0	**207**
25,155	0	0	0	0	**25,155**	• Impact of Asset Ceiling	(18,311)	0	0	0	0	**(18,311)**
1,660	**(54)**	**(92,610)**	**(7,160)**	**(24,470)**	(122,634)	**Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure**	**(21,323)**	**22**	**(800)**	**1,870**	**(27,170)**	**(47,401)**
3,868	**(19)**	**(48,810)**	**(5,400)**	**(10,400)**	(60,761)	**Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**(21,758)**	**57**	**46,060**	**3,640**	**(15,260)**	**12,739**
						Movement in Reserves Statement						
(2,208)	(35)	(43,800)	(1,760)	(14,070)	**(61,873)**	• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	435	(35)	(46,860)	(1,770)	(11,910)	**(60,140)**
						Actual amount charged against the General Fund Balance for pensions in the year						
4,230	69	0	0	0	**4,299**	• Employers' contributions payable to the scheme	4,635	68	0	0	0	**4,703**
0	0	44,290	510	(7,120)	**37,680**	• Retirements benefits payable to pensioners	0	0	43,780	300	(7,490)	**36,590**
4,230	**69**	**44,290**	**510**	**(7,120)**	41,979	**Total amount charged against the Police Fund Balance for pensions in the year**	**4,635**	**68**	**43,780**	**300**	**(7,490)**	**41,293**

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The following transactions have been made in the PFCC Single Entity Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

LGPS Funded 2024/25 £000s	PFCC LGPS Unfunded 2024/25 £000s	Total All Scheme 2024/25 £000s	Pension Transactions in MiRS and CI&ES	LGPS Funded 2025/26 £000s	PFCC LGPS Unfunded 2025/26 £000s	Total All Schemes 2025/26 £000s
			Comprehensive Income and Expenditure Statement			
			Cost of Services			
			Service cost comprising:			
143	0	143	• Current service cost	203	0	203
			Financing and Investment Income and Expenditure			
(43)	1	(42)	• Net interest expense	(100)	0	(100)
100	**1**	**101**	**Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services**	**103**	**0**	**103**
			Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement			
			Remeasurement of the net defined benefit liability comprising:			
154	0	154	• Return on plan assets (excluding the amount included in the net interest expense)	(3,318)	0	(3,318)
(15)	0	(15)	• Actuarial (gains) and losses arising on changes in demographic assumptions	(12)	0	(12)
(834)	(1)	(835)	• Actuarial (gains) and losses arising on changes in financial assumptions	0	0	0
(2)	0	(2)	• Experience (gains) and losses on liabilities	2,357	27	2,384
7	0	7	• Administration expenses	13	0	13
731	0	731	• Impact of Asset Ceiling	1,155	0	1,155
41	**(1)**	**40**	**Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure**	**195**	**27**	**222**
141	**0**	**141**	**Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**298**	**27**	**325**
			Movement in Reserves Statement			
(100)	(1)	(101)	• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(103)	0	(103)
			Actual amount charged against the General Fund Balance for pensions in the year			
152	1	153	• Employers' contributions payable to the scheme	298	4	302
152	**1**	**153**	**Total amount charged against the Police Fund Balance for pensions in the year**	**298**	**4**	**302**

Annex B – Technical Annex – Pensions Disclosures

B2 Pensions Assets and Liabilities Recognised in the Balance Sheet

Under IAS 19, the financial statements should reflect at fair value the assets and liabilities arising from an employer's obligation to pay retirement benefits and the funding provided.

The underlying assets and liabilities for retirement benefits attributable to the Group at 31 March 2026 are as follows:

Group						Group				
LGPS		Police				LGPS		Police Scheme		
Funded 2024/25 £000s	Unfunded 2024/25 £000s	1987 2024/25 £000s	2006 2024/25 £000s	2015 2024/25 £000s	Pension Scheme Assets & Liabilities	Funded 2025/26 £000s	Unfunded 2025/26 £000s	1987 2025/26 £000s	2006 2025/26 £000s	2015 2025/26 £000s
(150,785)	(645)	(842,050)	(31,410)	(103,540)	Present value of the defined benefit obligation	(164,969)	(634)	(844,330)	(34,750)	(95,770)
211,646	0	0	0	0	Fair value of plan assets	233,912	0	0	0	0
(60,861)	0	0	0	0	Impact of Asset Ceiling	(42,550)	0	0	0	0
0	**(645)**	**(842,050)**	**(31,410)**	**(103,540)**	**Net liability arising from defined benefit obligation**	**26,393**	**(634)**	**(844,330)**	**(34,750)**	**(95,770)**

The liabilities in the above table show the underlying commitments that the Commissioner has, in the long run, to pay retirement benefits. The total group liability of £949m (£978m at 31 March 2025) has a substantial impact on the net worth of the Commissioner as recorded in the group balance sheet, resulting in a negative overall balance of £867m (£893m at 31 March 2025). The reduction in overall liability has arisen as a result in a change in actuarial assumptions.

However, statutory arrangements for funding the deficit mean that the financial position of the group remains healthy, since:

- the deficit on the local government scheme will be made good by increased contributions and changes to benefits over the remaining working life of employees, as assessed by the scheme actuary

- finance is only required to be raised to cover police pensions when the pensions are actually paid.

LGPS – Asset Ceiling

Following the pensions valuation by the Commissioner's actuary, Mercer Ltd, the Commissioner determined that the fair value of its pension plan assets outweighed the present value of the plan obligations as 31st March 2026 resulting in a pension plan asset. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil for the funded benefits.

This change applied to the Group Accounts above and the PFCC single entity statements below.

Annex B – Technical Annex – Pensions Disclosures

The underlying assets and liabilities for retirement benefits attributable to the PFCC Single Entity at 31 March 2026 are as follows:

PFCC LGPS Funded 2024/25 £000s	PFCC LGPS Unfunded 2024/25 £000s	Pension Scheme Assets & Liabilities	PFCC LGPS Funded 2025/26 £000s	PFCC LGPS Unfunded 2025/26 £000s
(4,603)	(13)	Present value of the defined benefit obligation	(7,168)	(36)
6,160	0	Fair value of plan assets	9,880	0
(1,557)	0	Impact of Asset Ceiling	(2,712)	0
0	**(13)**	**Net liability arising from defined benefit obligation**	**0**	**(36)**

Reconciliation of present value of scheme liabilities for the group:

Group					Reconciliation of Scheme Liabilities	Group				
LGPS Funded 2024/25 £000s	LGPS Unfunded 2024/25 £000s	1987 2024/25 £000s	Police 2006 2024/25 £000s	2015 2024/25 £000s		LGPS Funded 2025/26 £000s	LGPS Unfunded 2025/26 £000s	1987 2025/26 £000s	Police 2006 2025/26 £000s	2015 2025/26 £000s
(172,220)	**(733)**	**(935,150)**	**(37,320)**	**(106,820)**	**Balance at Start of Year**	**(150,785)**	**(645)**	**(842,050)**	**(31,410)**	**(103,540)**
(4,041)	0	(410)	0	(8,630)	Current service cost	(3,161)	0	(490)	0	(5,690)
(8,323)	(35)	(43,390)	(1,760)	(5,440)	Interest cost	(8,788)	(35)	(46,370)	(1,770)	(6,220)
(1,576)	0	(20)	0	(7,610)	Contributions by Scheme Participants	(1,682)	0	0	0	(8,070)
					Remeasurement gains and (losses):					
468	2	1,160	90	490	- Arising from changes in demographic assumptions	285	0	0	0	0
28,527	52	91,670	7,270	23,810	- Arising from changes in financial assumptions	2,589	0	25,660	1,350	5,670
53	0	(220)	(200)	170	- Experience gains/(losses)	(8,672)	(22)	(24,860)	(3,220)	21,500
(2)	0	0	0	0	Past service cost	0	0	0	0	0
0	0	0	0	0	Gains/(losses) on curtailment	(131)	0	0	0	0
6,329	69	44,310	510	490	Benefits Paid/Transfers	5,376	68	43,780	300	580
(150,785)	**(645)**	**(842,050)**	**(31,410)**	**(103,540)**	**Balance at End of Year**	**(164,969)**	**(634)**	**(844,330)**	**(34,750)**	**(95,770)**

The liabilities under the Police pension Schemes have reduced during 2025/26. The principal reason for these changes is in relation to changes to financial assumptions.
The liabilities under the LGPS Scheme have increased during 2025/26. The principal reason for these changes is in relation to changes to financial assumptions and experience losses.

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Reconciliation of present value of scheme liabilities for the PFCC Single Entity:

PFCC LGPS Funded 2024/25 £000s	PFCC LGPS Unfunded 2024/25 £000s	Reconciliation of Scheme Liabilities	PFCC LGPS Funded 2025/26 £000s	PFCC LGPS Unfunded 2025/26 £000s
(5,129)	**(14)**	**Balance at Start of Year**	**(4,603)**	**(13)**
(143)	0	Current service cost	(203)	0
(250)	(1)	Interest cost	(265)	0
(65)	0	Contributions by Scheme Participants	(118)	0
		Remeasurement gains and (losses):		
15	0	- Arising from changes in demographic assumptions	12	0
834	1	- Arising from changes in financial assumptions	0	0
2	0	- Experience gains/(losses)	(2,357)	(27)
133	1	Benefits Paid/Transfers	366	4
(4,603)	**(13)**	**Balance at End of Year**	**(7,168)**	**(36)**

The PFCC single entity liabilities under the LGPS Scheme have increased during 2025/26. The principal reason for these changes is in relation to changes to financial assumptions and experience losses.

Annex B – Technical Annex – Pensions Disclosures

Reconciliation of fair value of the scheme assets for the group:

Group LGPS Funded 2024/25 £000s	Group LGPS Unfunded 2024/25 £000s	Reconciliation of Scheme Assets	Group LGPS Funded 2025/26 £000s	Group LGPS Unfunded 2025/26 £000s
207,926	**0**	**Balance at Start of Year**	**211,646**	**0**
(362)	0	Adjustment to Opening Balance #	0	0
207,564	**0**	**Adjusted Balance at Start of Year**	**211,646**	**0**
10,158	0	Interest Income	12,515	0
(5,358)	0	Remeasurements - Gains and (Losses)	9,017	0
(195)	0	Administration Expenses	(207)	0
4,230	69	Employer Contributions	4,635	68
1,576	0	Contributions by Scheme Participants	1,682	0
(6,329)	(69)	Benefits Paid	(5,376)	(68)
211,646	**0**	**Balance at End of Year**	**233,912**	**0**

Reconciliation of fair value of the scheme assets for the PFCC single entity:

PFCC LGPS Funded 2024/25 £000s	PFCC LGPS Unfunded 2024/25 £000s	Reconciliation of Scheme Assets	PFCC LGPS Funded 2025/26 £000s	PFCC LGPS Unfunded 2025/26 £000s
5,955	**0**	**Balance at Start of Year**	**6,160**	**0**
(11)	0	Adjustment to Opening Balance #	0	0
5,944	**0**	**Adjusted Balance at Start of Year**	**6,160**	**0**
293	0	Interest Income	365	0
(154)	0	Remeasurements - Gains and (Losses)	3,318	0
(7)	0	Administration Expenses	(13)	0
152	1	Employer Contributions	298	4
65	0	Contributions by Scheme Participants	118	0
(133)	(1)	Benefits Paid	(366)	(4)
6,160	**0**	**Balance at End of Year**	**9,880**	**0**

Annex B – Technical Annex – Pensions Disclosures

The Police Pension Scheme has no assets to cover its liabilities. The Commissioner's share of assets in the Cumbria Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

PFCC 2024/25 £000s	PFCC 2024/25 %	Group 2024/25 £000s	Group 2024/25 %	LGPS Asset Breakdown	Quoted Y/N	PFCC 2025/26 £000s	PFCC 2025/26 %	Group 2025/26 £000s	Group 2025/26 %
				Equities					
117	1.90%	4,021	1.90%	UK Equity Pooled	Y	210	2.13%	4,982	2.13%
1,491	24.20%	51,220	24.20%	Global Equity Pooled	Y	2,193	22.20%	51,928	22.20%
524	8.51%	17,990	8.50%	Overseas Equity Pooled	Y	995	10.07%	23,555	10.07%
				Bonds					
893	14.50%	30,688	14.50%	UK Government Indexed Pooled	N	1,466	14.84%	34,712	14.84%
				Property					
6	0.10%	211	0.10%	UK	N	8	0.08%	187	0.08%
474	7.69%	16,296	7.70%	Property Funds	N	707	7.16%	16,748	7.16%
				Alternatives					
610	9.90%	20,953	9.90%	Private Equity Funds	N	934	9.45%	22,105	9.45%
961	15.60%	33,018	15.60%	Infrastructure Funds	N	1,588	16.07%	37,590	16.07%
499	8.10%	17,143	8.10%	Private Debt Funds	N	829	8.39%	19,625	8.39%
86	1.40%	2,963	1.40%	Healthcare Royalties	N	79	0.80%	1,871	0.80%
407	6.61%	13,969	6.60%	Multi Asset Credit	N	447	4.52%	10,573	4.52%
				Cash					
92	1.49%	3,174	1.50%	Cash Accounts	Y	414	4.19%	9,801	4.19%
0	0.00%	0	0.00%	Net Current Assets	N	10	0.10%	235	0.10%
6,160	**100.00%**	**211,646**	**100.00%**			**9,880**	**100.00%**	**233,912**	**100.00%**

B3 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, which provides an estimate of the pensions that will be payable in future years using assumptions about mortality rates, salary levels, etc. Mercer Ltd an independent firm of actuaries, has carried out the assessment on the Local Government Pension Scheme. These accounts are based on the actuarial valuation undertaken on 31 March 2026. The Police Scheme estimates have been compiled using a valuation model devised by the Government Actuaries Department.

The principal assumptions used by the actuary have been:

LGPS 2024/25	Police 2024/25	Actuarial Assumptions	LGPS 2025/26	Police 2025/26
		Mortality Assumptions:		
		Longevity at 65 for current pensioners:		
21.5	21.9	- Men	21.4	22.0
24.0	23.9	- Women	24.1	24.0
		Longevity at 65 for future pensioners:		
22.8	23.3	- Men	22.7	23.4
25.7	25.2	- Women	25.6	25.3
2.60%	2.70%	Rate of Inflation (CPI)	2.90%	2.95%
4.10%	3.45%	Rate of increase in salaries	4.40%	3.70%
2.70%	2.70%	Rate of increase in pensions	3.00%	2.95%
2.60%	3.95%	Rate of Revaluation for CARE Pensions	2.90%	4.20%
5.90%	5.65%	Rate for discounting scheme liabilities	6.20%	6.10%

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The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis – LGPS Pension Scheme

Sensitivity Analysis - LGPS	PFCC Impact on Defined Benefit Obligation £000s	PFCC Impact on Projected Service Cost for Next Year £000s	PFCC Impact on Projected Interest Cost for Next Year £000s	Group Impact on Defined Benefit Obligation £000s	Group Impact on Projected Service Cost for Next Year £000s	Group Impact on Projected Interest Cost for Next Year £000s
Local Government Pension Scheme						
Longevity (1 Year increase in life expectancy)	141	5	9	3,231	75	205
Rate of Inflation (increase by 0.25%)	277	17	17	6,686	216	422
Rate of Increase in Salaries (increase by 0.25%)	46	0	3	975	0	63
Rate for Discounting Scheme Liabilities (increase by 0.1%)	(524)	(32)	(49)	(12,605)	(400)	(1,204)
Change in investment Returns (increase by 1%)	0	0	(6)	0	0	(147)
Change in investment Returns (reduce by 1%)	0	0	6	0	0	148

Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police Pensions 1987 Scheme £000s	Group Police Pensions 2006 Scheme £000s	Police Pensions 2015 Scheme £000s
Assumption Sensitivity			
Longevity (1 Year increase in life expectancy)	21,000	1,000	2,000
Rate of Increase in Pensions (increase by 0.5%)	53,000	3,000	14,000
Rate of Increase in Salaries (increase by 0.5%)	4,000	2,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(52,000)	(4,000)	(12,000)

The above tables include the impact of an increase in assumptions, a reduction in assumptions will produce approximately an equal and opposite change.

B4 Impact on the Commissioner's Cash Flows

The objectives of the LGPS scheme are to keep employers' contributions at as constant a rate as possible. The Commissioner has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 15 years. Funding levels are monitored on an annual basis. The most recent triennial valuation took place during 2025/26 with a further review due in 2028/29 based on the position at 31 March 2028. The previous revaluation resulted in a reduction in contribution rates from 18.9% to 17.1% for the Constabulary and from 18.6% to 17.4% for the PFCC which took effect from 1 April 2026.

The pension schemes will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS and the other main existing public service schemes in England and Wales (which includes the Police Pension schemes) may not provide benefits in relation to service after 31 March 2014 (after 31 March 2015 for other main public service schemes e.g. Police Pension Schemes). This means that the LGPS ceased to be a final salary pension scheme from 31 March 2014 and the Police Pension Scheme ceased to be a final salary pension scheme from 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The total group contributions expected to be made to the Local Government Pension Scheme by the Commissioner in the year to 31 March 2027 are £5.233m (PFCC single entity £358k). Expected contributions for the Police Pension Scheme in the year to 31 March 2027 are £22.750m.

The weighted average duration of the defined benefit obligation for scheme members is shown in the table below:

2024/25 Years	Weighted Average Duration of the Defined benefit Obligation	2025/26 Years
	Pensions Scheme	
20	Local Government Pension Scheme - PFCC	16
21	Local Government Pension Scheme - CC	17
14	Police Pension -1987 Scheme	14
27	Police Pension -2006 Scheme	23
29	Police Pension -2015 Scheme	28

The Police, Fire and Crime Commissioner for Cumbria

&

The Chief Constable of Cumbria Constabulary

Accounting Policies

Annex C - Statement of Accounting Policies

1. General Principles

1.1. The Statement of Accounts summarises the financial transactions for the 2025/26 financial year and the financial position at the 31 March 2026. The Police, Fire and Crime Commissioner for Cumbria and The Chief Constable of Cumbria Constabulary are each required to prepare an annual Statement of Accounts (single entity) in accordance with the Accounts and Audit Regulations 2015 which stipulate that the statements be prepared in accordance with proper accounting practices. Those practices primarily comprise the CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003. The Commissioner is responsible for combining the single entity statements to form a set of consolidated group accounts.

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

> **Historic Cost** – the amount the organisation originally paid for an item.

2. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in 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 (stock) 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 income 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.
- An accrual is made in respect of employee benefits payable during employment.

> **Accrual Example 1**
> An electricity invoice received at the start of April will usually relate to the previous quarters electricity consumption (January to March) and as such this expenditure should be shown in the financial statements for the previous financial year. The invoice will actually be paid in the new year but the costs are charged to the previous year by way of an accrual.

> **Accrual Example 2**
> The PFCC/Constabulary insurance premiums are due on 1 November each year. The premium paid covers five months of the current financial year and seven months of the next. A prepayment is made in the accounts to move the cost of the seven months into the correct year.

3. Exceptional Items

3.1. When exceptional items of income and expense are *material*, their nature and value is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of financial performance.

> **Materiality** – information is material if omitting it or misstating it could influence decisions that users make on the basis of the financial information about a specific reporting organisation. In other words, materiality is an organisation specific aspect of relevance based on the *nature* or *magnitude* or *both*, of the items to which the information relates in the context of the individual organisations financial statements.

4. Material Estimation Techniques

4.1. IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. The only material estimation techniques used is in relation to pensions disclosures as set out in the technical annex, Annex B.

5. Cash & Cash Equivalents

5.1. Cash is represented by cash in hand, petty cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents may also include overdrawn balances at the bank where they are an integral part of cash management. Generally, cash and cash equivalents will comprise, cash in hand, bank account balances, overnight deposits and deposits with Money Market Funds which are repayable on demand without penalty or loss of interest.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand or form an integral part of cash management.

In accordance with the Commissioner's framework of governance, with the Chief Constable, the Chief Constable is funded on a cash basis, accordingly all cash and cash equivalent balances are recorded on the balance sheet of the Commissioner.

6. Charges to Revenue for Non-current Assets

6.1. Services and support services are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- Depreciation attributable to the assets
- Revaluation and impairment losses on assets used where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- Amortisation of intangible assets used

Council tax is not required to be raised to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Police Fund balance, by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

In accordance with the terms of the Commissioner's framework of governance to the Chief Constable, the Commissioner holds all non-current assets. Accordingly, all depreciation, revaluations and impairments are recorded in the Commissioner's single entity statement. However, the Commissioner makes a charge to the Chief Constable in the Comprehensive Income and Expenditure Statement for the use of non-current assets, which is equivalent to his share of depreciation.

7. Council Tax

7.1. Council Tax is collected from local taxpayers by the billing authorities (unitary councils). The billing authorities in England are required by statute to maintain a separate fund, known as the Collection Fund, for the collection and distribution of amounts due in respect of Council Tax. The fund's key features relevant to accounting for Council Tax in the core financial statements of the billing authorities are:

- In its capacity as a billing authority the council acts as agent; it collects and distributes Council Tax income on behalf of the major preceptors (Police, Fire and Crime Commissioner for Cumbria and Cumbria Commissioner Fire and Rescue Authority) and itself.
- While the Council Tax income for the year credited to the collection fund is accrued income for the year, regulations determine when it should be released from the collection fund and transferred to the general fund of the billing authority or paid out of the collection fund to major preceptors.
- Up to 2008/09 the SORP required the Council Tax income included in the Comprehensive Income and Expenditure Statement to be that which under regulation was required to be transferred from the collection Fund to the general fund of the billing authority. The Major precepting bodies were simply required to show the precept received from the billing authority during the year.
- From the year commencing 1 April 2009, the Council Tax income included in the Comprehensive Income and Expenditure Statement for the year shall be the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the collection fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since the collection of Council Tax is, in substance, an agency arrangement, cash collected by the billing authority from Council Tax debtors belongs proportionately to the billing authority and the major preceptors. There will be therefore a debtor/creditor position between the billing authorities and each major preceptor to be recognised since the net cash paid to each major preceptor in the year will not be its share of cash collected from Council Taxpayers.

The Comprehensive Income and Expenditure Statement shows the share of cash collected in relation to Council Tax for the year. A transfer has been made to the collection fund adjustment account to record the amount due to/from the unitary councils (billing authorities) as at the year end. The debtors and creditors contained within the balance sheet now shows the share of Council Tax debtors (less an adjustment for bad and doubtful debts), Council Tax creditors, prepayments and a recognition of the amounts owed to or from the billing authorities.

Council Tax income is recorded purely in the financial statements of the Police, Fire and Crime Commissioner, it does not feature in the single entity statement of the Chief Constable of Cumbria Constabulary.

8. Employee Benefits

8.1. **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for functions in the year in which employees render service. An accrual is made for the cost of holiday entitlements, time off in lieu, flexi leave and rest days in lieu earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the balance sheet date. The employee accrual is then reversed out through the movement in reserves statement so that it is not charged against council tax.

8.2. **Termination Benefits**

Termination benefits are amounts payable as a result of a decision to terminate an individual's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged (on an accruals basis) to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the organisation can no longer withdraw the offer of those benefits or when the organisation recognises the costs for restructuring.

Where termination benefits involve enhancement of pensions, statutory provisions require the Police Fund balance be charged with the amount payable 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 any such amounts payable but unpaid at the year-end.

8.3. **Post-Employment Benefits – CIES Entries/Charges to the Police Fund**

All accounting entries relating to the Comprehensive Income and Expenditure Statement and the subsequent liability for Police Officer pensions are wholly recorded in the single entity statements of the Chief Constable. For Police Staff all Comprehensive Income and Expenditure Statement entries and subsequent balance sheet liabilities in relation to pensions are apportioned between the Commissioner and the Chief Constable single entity statements by the scheme actuary. All accounting entries for Police Officer pensions and Police Staff pensions are consolidated in the group statements.

As outlined above, the single entity statements of the Commissioner do not include any accounting entries in relation to the Police Officer Pensions funds as these are wholly recognised by the Chief Constable. The group accounts however include all relevant accounting entries in relation to Police Pension Funds.

In relation to retirement benefits, statutory provisions require the Police Fund to be charged with the amount payable to the pension funds in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers 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 Pension Reserve thereby measures the beneficial impact to the Police Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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

Service cost comprising:

- Current service costs – 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 employee 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 as part of Non Distributed Costs.
- Net interest on the net defined pension benefit liability (asset) – i.e. the net interest expense for the organisation – the change during the period in the net defined pension 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 pension benefit obligation at the beginning of the period to the net defined pension benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined pension benefit liability (assets) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- Return on plan assets-excluding amounts included in the net interest on the net defined pension 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 (demographic and financial) made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the pension fund
- Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

8.4. **Measurement of Liabilities**

The liabilities of each of the pension funds are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate (see assumptions set out in in Annex B, B3).

Actuarial valuations of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities.

8.5. **Measurement of Assets**

The assets of the LGPS pension fund 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

8.6. **Pensions Material Estimation Techniques**

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. For pensions, the material estimation techniques used are as follows:

Where the projected unit method of valuation has been applied and which is consistent with the required methodology in IAS 19. This is a valuation method in which the scheme liabilities make an allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits pensioners and deferred pensioners (i.e. individuals who have ceased as active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested or not.

9. **Events after the Reporting Period**

9.1. Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date the Statement of Accounts is authorised for issue which have an impact on the financial statements and are treated as follows. 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 event and their estimated financial effect.

Events taking place after the authorised for issue date are not reflected in the statement of accounts.

10. Financial Instruments

10.1. **Financial Liabilities**

Financial Liabilities are initially measured at fair value and carried at their amortised cost . Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For borrowings this means that the amount presented on the Balance Sheet is the outstanding amount of principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement. Borrowing is undertaken and accounted for in accordance with the Treasury Management Strategy. Where a payable (i.e. creditor) has a maturity of less than 12 months the fair value is taken to be the principal outstanding, or the billed/invoiced amount. In accordance with the governance framework between the Commissioner and the Chief Constable, all financial instrument liabilities, including borrowing and trade creditors are held by the Commissioner.

10.2. **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 cash flow characteristics. The Commissioner holds financial assets measured at amortised costs (investments, cash and cash equivalent and debtors.

Financial Assets are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Where a debtor has a maturity of less than 12 months, the fair value is taken to be the principal outstanding or the billed/invoiced amount. Investments are shown in the balance sheet at cost. Where investments are fixed term deposits, accrued interest owing at the balance sheet date is included in the Comprehensive Income and Expenditure Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. An example of such a charge would be the adjustment made to the debtors balance as an impairment allowance for doubtful debts.

Investments are undertaken and accounted for in accordance with the Treasury Management Strategy. **Treasury Management** is defined as "the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

The **Treasury Management Strategy** is produced on an annual basis and is approved by the Commissioner in February each year. The strategy contains and investment strategy which provides details of approved counterparties with whom investments can be placed and approved limits and durations for investment. The strategy also includes a borrowing strategy should this be needed and approved practices and procedures to be adopted by staff carrying out investment and borrowing activities.

In accordance with the Commissioner's governance framework with the Chief Constable all financial instrument assets including investments and trade debtors are held by the Commissioner.

11. Government Grants and Contributions

11.1. Whether paid on account, by installments or in arrears, government grants and third party contributions and donations are recognised as due when there is reasonable assurance of:

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

Amounts recognised as due 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 acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the body making the grant or contribution.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried on the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant function line (attributable revenue grants and contributions) or Taxation and Non-Specific Grants Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Police 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.

In accordance with the statutory responsibility of the Commissioner to maintain the Police Fund contained within the Police Reform and Social Responsibility Act 2011, all grants are recognised in the accounts of the Commissioner.

12. Intangible Assets

12.1. Intangible assets are initially measured at cost amounts and are only revalued where the fair value of the asset can be determined by an active market. The depreciable amount of an intangible asset is amortised over its useful life (usually 5 years) to the relevant function(s) in the Comprehensive Income and Expenditure Statement. Once intangible assets have been fully amortised, at the end of their useful lives, the gross book value and accumulated amortisation for those assets will be written out of the asset register. There will be no impact on the core financial statements (balance sheet) as a result of this as the net book value will already be nil.

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 Police Fund Balance. The amortisation, impairment and gains and losses on disposal are therefore reversed out of the Police Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds over £10,000) the Capital Receipts Reserve. 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.

In accordance with the terms of the Commissioner’s governance framework with the Chief Constable, all intangible assets are held by the Commissioner.

13. Inventories

13.1. Inventories (stocks) are included in the balance sheet at historic cost. This is a departure from IAS2 which requires inventories to be valued at the lower of cost or net realisable value. However, for many stock items, particularly uniforms, net realisable value would be minimal and would not accurately reflect the value of holding these assets. As inventories predominantly relate to operational stocks (uniform and consumables) these are reported in the single entity statements of the Chief Constable and as such are consolidated into the Commissioner’s group accounts.

14. Investment Property

14.1. Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Police Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Police Fund balance. The gains and losses are therefore reversed out of the police fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater that £10,000) the Capital Receipts Reserve.

Investment assets are not generally held, however, in some circumstances where a surplus property no longer meets the strict criteria to be classified as "held for sale", it must be classified as an investment property.

15. Leases

15.1. A new Leases policy, IFRS16, has been adopted, with effect from 1 April 2024. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to all former operating leases.

15.2. Leases are classified where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time, and to obtain substantially all of the economic benefits or service potential from that asset and to direct its use. This includes non-commercial leases.

Where a lease covers both land and buildings, the land and building elements are considered separately for classification. Agreements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfillment of the arrangement is dependent on the use of specific assets.

15.3. **Finance leases (as Lessee)**

Right of use property, plant and equipment held as a lease are recognised on the Balance Sheet, initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. For non-commercial leases the fair value of the leased asset will be obtained through valuation. The valuation will be sought every five years, with annual indexation applied to assets during the four intervening years in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) guidance on 'owed' property measurement.

The asset recognised is matched by a liability for the obligation to pay the lessor. The lease liability is measured at the commencement of the lease, at the present value of the lease payments, discounted by the rate implicit in the lease, or if that cannot be readily determined, the incremental borrowing rate is used, specific to the term and start date of the lease (i.e. the rate required to borrow funds over a similar term, with a similar security, to acquire an asset of similar value, in a comparable economic environment), PWLB rates will be used.

The lease liability is subsequently remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation.

The right of use asset is tested for impairment if there are any indicators of impairment.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Exemptions are applied for leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less and they are expensed to the Comprehensive Income and Expenditure Statement.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under IFRS16 leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer at the end of the lease period).

Council tax is not required to be raised to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Police Fund balance, by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

15.4. **Leases (as Lessor)**
There are currently no finance leases as a lessor.

15.5. The Chief Constable does not hold any leases (either as lessee or lessor).

16. Overheads and Support Services

16.1. The costs of overheads and support services are incorporated within the cost of Policing and Crime Services line of the comprehensive income and expenditure statement in accordance with the principles of the CIPFA Code of practice on Local Authority Accounting, which requires costs to shown on the same basis as used for resource management.

Under the Commissioner's governance framework to the Chief Constable premises costs (except where they are directly attributable to the Chief Constable) are initially recorded in the accounts of the Commissioner and a recharge is made to the Chief Constable in the single entity comprehensive income and expenditure statements on an appropriate basis.

Under the Commissioner's governance framework to the Chief Constable transport, supplies and services costs and those for police staff supporting both the Commissioner and Chief Constable (except where they are directly attributable to the Commissioner) are initially recorded in the accounts of the Chief Constable and a recharge is made to the Commissioner in the single entity comprehensive income and expenditure statements on an appropriate basis.

17. Property Plant and Equipment

17.1. Assets that have physical substance and are held for use in the production or supply of goods and 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. Under the terms of the Commissioner's governance framework with the Chief Constable all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, impairment, depreciation and sale of such assets are recorded in the single entity accounts of the Commissioner. As noted in policy 6 above, the Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

The cost of services 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 services.
- Revaluation and impairment losses on assets used by the services where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of non-current assets attributable to the services.

Council Tax is not required to be raised to fund depreciation, revaluation and impairment losses or amortisations. However, an annual contribution from revenue is required towards the reduction in the overall borrowing requirement equal to an amount calculated on a prudent basis and determined in accordance with statutory guidance. This contribution is known as MRP (Minimum Revenue Provision). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Police Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

17.2. **Recognition**

Expenditure 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 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 (i.e. repairs and maintenance) is charged to revenue as an expense through the Comprehensive Income and Expenditure Statement when it is incurred.

De-minimis levels have been set for capital projects at £25,000. No de-minimis level is set for individual items within capital projects.

17.3. **Measurement**

Assets are initially measured at cost, comprising:

- The purchase price
- 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

Borrowing costs incurred are not capitalised whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement basis:

Category	Basis of Valuation
Land and Buildings (Specialised)	Depreciated Replacement Cost
Land and Buildings (Non Specialised)	Existing Use Value
Vehicles, Plant, Furniture and Equipment	Depreciated Historic Cost (as a proxy for current value)
Assets Under Construction	Historic Cost

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

The Commissioner has opted to revalue 1/5th of the property portfolio on an annual basis and subject all properties not revalued in the year to indexation in the in-between years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are to be credited to the relevant function line(s) in the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a function up to the amount of the original loss, adjusted for depreciation (if material) that would have been charged if the loss had not been recognised.

17.4. **Depreciation**

Depreciation is provided for on all Property, 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:

- Property - straight-line allocation over the useful life of the property as estimated by the valuer up

to a maximum of 50 years
- Vehicles – straight line allocation over the estimated useful life (3 to 10 years)
- IT Equipment – straight line allocation over the estimated useful life (5 to 10 years)

No depreciation charge is made however in the year of acquisition but a full year charge is made in the year of disposal. A full year's depreciation charge is made in the year of revaluation of any asset.

Depreciation also has to be calculated on revaluation gains and is represented by the difference between depreciation calculated at current cost and depreciation calculated at historic cost. The difference between the two values is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

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 (see component accounting section below).

Once ICT equipment assets have been fully depreciated, at the end of their useful lives, the gross book value and accumulated depreciation for those assets will be written out of the asset register. There will be no impact on the core financial statements (balance sheet) as a result of this as the net book value will already be nil.

17.5. **Component Accounting**

Under the IFRS based code, separate recognition, depreciation and de-recognition of parts of assets is required. This is often referred to as componentisation. Componentisation is a change that has to be applied prospectively which means that it only needs to be considered for any non-current assets, acquired, improved or revalued after 1 April 2010. A componentisation policy has been established whereby all land and building assets with a value in excess of £1m will be assessed to see if they contain a significant component. A significant component is defined in the policy as one which exceeds £200k in value and has a different life to the remainder of the asset. Where a component of a non-current asset is replaced or restored, the carrying amount of the old component shall be derecognised and the new component reflected in the carrying amount. Each significant component of an item of property, plant or equipment is depreciated separately. Depreciation is calculated on the balance brought forward at the start of each year. Depreciation on the componentised assets will therefore only become effective in the year following revaluation and subsequent split for componentisation.

Under the terms of the Commissioner's funding arrangement to the Chief Constable all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, impairment, depreciation and sale of such assets are recorded in the single entity accounts of the Commissioner. The Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

17.6. **Valuations**

Where decreases in value are identified, they are accounted for as follows:

- 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 function lines(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 inception. Gains arising before that date have been consolidated into the Capital Adjustment Account. Revaluation gains and losses are not permitted to have an impact on the Police Fund. The gains and losses are therefore reversed out of the Police Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

17.7. **Valuations Material Estimation Techniques**

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. For property valuations the only material estimation techniques used is as follows:

All operational buildings are revalued on a rolling five year programme with indexation applied in the in-between years and the estimation techniques used are based on the “open market value in existing use” or in the case of specialised operational police properties “depreciated replacement cost” which is consistent with proper accounting practice.

17.8. **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 as follows:

- 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 function line(s) in the Comprehensive Income and Expenditure Statement.

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

Impairment losses are not a charge against Council Tax. The balance on the Comprehensive Income and Expenditure Statement arising from an impairment loss is appropriated to the Capital Adjustment Account through the Movement in Reserves Statement.

17.9. **Capital Receipts**

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

17.10. **Disposal and Non-Current Assets Held for Sale**
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 asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less cost to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. 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. In this case the carrying amount is adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.
- 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. Disposal costs are shown in other operating expenditure in the Comprehensive Income and Expenditure Statement. 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). In line with Statutory Instrument 2010 No 454, disposal costs of up to 4% of the sale proceeds are financed from capital receipts. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Police Fund Balance in the Movement in Reserves Statement.

18. Private Finance Initiatives (PFI) and Similar Contracts

18.1. PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.
Non-current assets recognised on the Balance Sheet are re-valued and depreciated in the same way as property, plant and equipment.

In accordance with accounting practice, lifecycle replacement costs are now recognised when they are actually incurred. The Commissioner receives specific government funding from MHCLG as a contribution to the costs of financing the scheme.

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

There is currently one PFI scheme and this relates to the Cumberland BCU Deployment Centre at Workington. Under the terms of the Commissioner's governance framework with the Chief Constable, the Commissioner controls all property and accordingly the PFI building is recorded on the balance sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the comprehensive income and expenditure statement for the Constabulary's use of the building and the services provided.

19. Provisions, Contingent Liabilities and Contingent Assets

19.1. **Provisions**

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

Provisions are charged as an expense to the appropriate function line in the Comprehensive Income and Expenditure Statement in the year that awareness of the obligation arises, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on 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 subsequently be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant function.

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 obligation is settled.

19.2. **Contingent Liability**

A contingent liability arises where an event has taken place that gives rise to a possible obligation which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

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

19.3. **Contingent Assets**

A contingent asset arises where an event has taken place that gives rise to a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

20. Reserves

20.1. Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Police Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate function in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Police Fund balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Reserves are classified in the Balance Sheet and the Movement in Reserves Statement as either 'usable' (those that can be applied to fund expenditure or reduce local taxation) and 'unusable' (those held for technical accounting purposes). Under the Commissioner's governance framework with the Chief Constable all usable reserves are controlled by the Commissioner and recorded in the balance sheet of the Commissioner. However, the Chief Constable does hold certain unusable reserves in relation to pensions and accumulated employee absences, which arise from Constabulary activities and are not covered by the funding arrangement and are shown on the Chief Constable's balance sheet.

21. VAT

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

Annex D – Annual Governance Statement

DAVID ALLEN

CUMBRIA'S POLICE, FIRE AND CRIME COMMISSIONER

Police and Crime Commissioner for Cumbria

Annual Governance Statement 2025/26

DAVID ALLEN
CUMBRIA'S POLICE, FIRE AND CRIME COMMISSIONER

Police, Fire and Crime Commissioner for Cumbria

Annual Governance Statement – Good Governance Principles 2025/2026

Executive Summary

The Police, Fire and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at www.cumbria-pcc.gov.uk

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

Our assessment of effectiveness

The key systems and processes that comprise the Commissioner's governance arrangements for 2025-26 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2025-26 financial year, including the updated 2025 addendum guidance. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner's governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.
- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Head of Internal Audit, as set out in his annual report.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance on Audit Committees for Police.

The following Annual Governance Statement demonstrates how the Commissioner has complied with the governance framework set out within the Code, to meet each of the seven principles of good governance:

- A: Integrity, ethics and the rule of law
- B: Openness and stakeholder engagement
- C: Defining sustainable outcomes
- D: Determining interventions
- E: Capacity and capability
- F: Risk management and internal control
- G: Accountability and transparency

The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

Progress has been made on addressing the issues raised in the Annual Governance Statement for 2025/26. During 2026/27 we will continue to monitor the implementation of any outstanding or newly identified actions.

Overall Summary

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

How we meet the requirement - In summary, the OPFCC has in place a well-established governance framework to promote good behaviour and high standards. This includes Codes of Conduct, registers of interests, and rules around gifts and hospitality. These arrangements are embedded through induction processes, supported by a suite of policies, and reinforced through staff Performance Development Reviews (PDRs).

The Chief Executive, in their role as Monitoring Officer, plays a central role in promoting and upholding ethical standards across the organisation. This is supported by robust scrutiny and governance arrangements, which provide assurance that ethical standards are consistently applied.

The OPFCC also has arrangements in place to ensure it follows the law and regulations. The Monitoring Officer oversees this, with support from the Head of Legal. Financial spending is regularly reviewed through internal boards and external oversight, helping to ensure money is managed properly and the organisation remains accountable.

Principle B: Ensuring openness and comprehensive stakeholder engagement

How we meet the requirement – In summary, the OPFCC is open and transparent in how it works and makes sure it communicates clearly with the public. It publishes important information such as decisions, financial details and performance information so people can see what is happening and hold the organisation to account.

We listen to the public and partners in different ways and use what they tell us to help shape our decisions and future plans.

Decision-making is supported by structured templates, which explain the reasons behind decisions, any risks involved, and the expected outcomes. This helps ensure decisions are documented and easy to understand.

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

How we meet the requirement: In summary, the OPFCC sets clear priorities through the Police, Fire and Crime Plan, which is based on what the public and partners say, as well as local needs and risks. Progress is reported each year via an annual report so people can see what has been achieved.

Governance and accountability arrangements such as internal Executive Boards and Public Accountability Conferences make sure decisions are based on good financial and performance information, and that money is used wisely and in line with the Commissioner's priorities.

We work to make sure services are fair and accessible. Decisions about services are based on need, legal requirements and working with partners, especially to support victims and vulnerable groups. Funding is targeted at projects that reduce crime and improve outcomes for communities. Equality Impact Assessments are used to make sure services are inclusive.

We also work closely with partners and follow a clear approach to commissioning services. This includes joint procurement and a focus on social value, so services not only offer value for money but also bring wider benefits to communities.

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

How we meet the requirement: In summary, the OPFCC has have good systems in place to make sure we plan properly and use our resources to achieve our goals.

We plan both short-term and long-term through our Medium-Term Financial Plan (MTFP). This links our money, priorities and services together, so we are focusing resources on what matters most. We review this every year to reflect any changes, and senior leaders regularly check progress at Executive Board meetings.

We also have clear rules and structures that make sure money and resources are used for the right priorities. Senior leaders regularly review spending and performance to make sure everything is on track and delivering value for money.

Our performance is closely monitored through regular meetings, performance indicators, and accountability sessions. This helps us spot issues early and take action quickly to stay on track with our goals.

When we buy services or commission work, we also consider social value, making sure we deliver wider benefits for the community, not just the core service.

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

How we meet the requirement: In summary, the OPFCC have clear roles, good leadership, and strong support in place so people can do their jobs well.

Roles and responsibilities are clearly defined, including for senior officers, so everyone knows what they are accountable for. Key leaders work together and are involved in decision-making to make sure things are done properly, legally, and with good financial oversight.

We follow recognised standards for financial management, with the Chief Finance Officer playing a central role and staying up to date through professional development.

Staff are supported through induction, training, and regular reviews, helping them build skills and improve.

We make sure we have the right people and structure in place to deliver our plans and priorities. We also support learning and wellbeing, with access to training, regular team meetings, and services like occupational health to help staff stay healthy and work effectively.

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

How we meet the requirement: In summary, the OPFCC has strong systems in place to manage risk, control how we work, and make sure money is used properly.

We manage risk well by reviewing it regularly, with clear ownership and oversight from senior leaders and the Joint Audit Committee. We also manage risks with partners, making sure shared work is properly monitored and controlled. We manage our finances carefully by linking spending to our priorities and reviewing performance regularly, with oversight from the Chief Finance Officer

We have good internal controls, including data protection, asset management, and clear procurement processes to ensure everything is done safely, legally, and efficiently.

We regularly review performance and risk, using our boards, internal audit and public meetings to check progress and take action where needed.

The OPFCC welcomes challenge, with independent scrutiny from audit committees and panels that help hold us to account and improve what we do.

Principle G: Implementing good practice in transparency, reporting and audit to deliver effective accountability

How we meet the requirement: In summary the OPFCC have clear arrangements in place to support transparency, reporting and accountability.

We respond to external challenge from auditors, inspectors and scrutiny panels. We take their feedback seriously, develop action plans, and track progress through our governance boards and audit committee.

We use learning to improve. Recommendations from audits and inspections are regularly reviewed and monitored to make sure changes are made and improvements happen.

We are open and accountable in our partnerships. We manage contracts and partnerships carefully, with regular monitoring of performance, outcomes and spending. We also work with partners through groups like Safer Cumbria to ensure shared accountability.

We are transparent with the public. We publish key information on our website and use meetings such as Public Accountability Conferences to openly review our performance. We also have strong independent oversight with arrangements such as the Joint Audit Committee and Community Scrutiny Panel to provide challenge and assurance that our governance and controls are working properly.

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

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	RAG
We must ensure that both members and officers behave with integrity and in line with clearly defined ethical standards, including appropriate management of conflicts of interest, gifts and hospitality and adherence to codes of conduct. Sector requirements include the Code of Practice for Ethical Policing and the Police Code of Ethics, and the Core Code of Ethics for Fire and Rescue Services - England	• All staff sign up to a Code of Conduct. This is included in the staff induction pack and all staff are required to read and sign up to it. Ethical awareness is included within induction training for staff, members and volunteers. • Members of the Community Scrutiny Panel, the Joint Audit Committee and volunteers all sign a Code of Conduct as part of their appointment and induction process. • The OPFCC has a Performance Development Review (PDR) process for all staff, which includes an integrity element that must be completed. • As part of the OPFCC's extended team meeting programme, integrity is discussed on a regular basis and training is provided on how staff should conduct themselves online. • All staff annually complete a register of interests. The PFCC and Executive Team's interests are published on the OPFCC website. • The PFCC and staff complete a monthly gifts and hospitality register which is published on the OPFCC website. • The Community Scrutiny Panel promotes ethical values within the OPFCC, Constabulary and Fire Service. In respect of the arrangements for standards, ethics and integrity, no complaints have been received against the Commissioner or members of his office. • There were two complaints received by the Police, Fire & Crime Panel in relation to the Commissioner. Both complaints were rebutted.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	RAG
	• During 2025-26 the Panel have carried out dip sample processes and thematic inspections for a number of different areas of business within policing and fire including, public complaints, police misconduct and staff misconduct cases, grievances, employee absences, vetting, how disproportionality is experienced across policing powers and outcomes, incidents of Stop & Search, Use of Force and Custody Detention all of which were found to support high standards of ethics and integrity. In relation to Fire they reviewed misconduct and workforce complaints, employee absences, secondary employment and exit interviews. • From 1 February 2020 the OPFCC has been responsible for reviews of public complaints. It appointed an independent reviewing officer to carry out the reviews assessing the complaint handling and whether the outcome provided was reasonable and proportionate, thereby providing an openness and transparency to the process. During 2025-26 the OPFCC received 55 requests for a review. • The Community Scrutiny Panel continues to monitor and reports on some specific areas of activity, such as complaint handling, misconduct cases, grievances stop and search, custody detention in relation to ethical issues.		
We must have arrangements in place covering the ethical behaviour of external service providers	• The process of commissioning services and awarding of grants present a potentially high risk with regards to integrity. Grant Regulations are in place to ensure that grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money. The Grant Regulations were reviewed in 2023 and the conclusions were reported to the Joint Audit Committee in November 2023.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	RAG
	• The Procurement Act 2023 was implemented on 24th February 2025 and introduced significant changes to public procurement rules. The Joint Procurement Regulations were reviewed in 2026 and presented to the Joint Audit Committee.		
We must have arrangements to support whistleblowing	• Anti-Fraud & Corruption arrangements were last considered in 2025. They include mechanisms for confidential reporting and whistleblowing. The OPFCC reports on the effectiveness of these arrangements on an annual basis to the Joint Audit Committee. • A Confidential Reporting (Whistleblowing) Policy is published on the OPFCC website and is reviewed on a three-year cyclical basis. • The OPFCC website has information on how members of the public can make complaints regarding different staff, officers, members and volunteers. Any complaints relating to the PFCC are referred to the Police, Fire and Crime Panel and information published on our website.		
We must demonstrate how compliance with laws and regulations and internal policies and procedures is ensured and arrangements to ensure expenditure is lawful	• The Commissioner provides funding to the Constabulary's Legal Services Department, which delivers legal support to the OPFCC on matters relating to the Chief Constable and their officers and staff. • In 2025, the OPFCC also appointed a Head of Legal, who provides dedicated legal support to both the OPFCC and the Cumbria Commissioner Fire & Rescue Authority. • The Chief Finance Officer (Section 151 Officer) is responsible for the proper administration of the financial affairs of the OPFCC and Cumbria Commissioner Fire & Rescue Authority, and provides financial oversight of Cumbria Constabulary. Robust financial management arrangements are in place, with regular financial		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	RAG
	monitoring reports aligned to the budget setting and financial planning cycle. These reports are presented internally to the Executive Board Police and Executive Board Fire, and externally to the Police, Fire and Crime Panel, ensuring appropriate scrutiny and transparency. Formal approval of the annual budget and council tax precept is undertaken by the Commissioner through the Public Accountability Conference, providing clear accountability and oversight of financial decision-making.		
We must demonstrate how breaches of ethical arrangements, laws, regulations and procedures are addressed and learning adopted	• The Chief Executive performs the role of Monitoring Officer. They ensure that the Commissioner and OPFCC carry out their roles in line with legislation. They are supported by a Head of Legal. • In 2025, the Commissioner introduced a Professional Standards and Legal Board for policing, which provides oversight of complaints, misconduct, ~~grievances and~~ referrals to the Independent Office for Police Conduct (IOPC) and civil claims. The Board ensures that these matters are managed appropriately, with a focus on identifying risks, themes and organisational learning. • A corresponding Professional Standards and Legal Board was also established for Fire, providing oversight of complaints, conduct matters, civil claims and enforcement activity and prosecutions, in line with the statutory responsibilities of the Fire Authority. Together, these arrangements strengthen governance oversight and provide assurance that professional standards are maintained, and ethical conduct is consistently upheld across both policing and fire functions.		
We must ensure all those in governance roles and senior	• The OPFCC ensures that those in governance roles and senior management demonstrate leadership of an ethical		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	RAG
managers demonstrate their leadership of an ethical culture	culture through a well-established framework of governance arrangements. The Joint Corporate Governance Framework and Scheme of Delegation clearly define roles, responsibilities and expected standards of conduct, providing a robust foundation for accountability and ethical decision-making. These arrangements are supported by established governance structures, including internal boards and external scrutiny, which provide assurance that ethical standards are consistently upheld and are operating effectively across the organisation.		

Principle B: Ensuring openness and comprehensive stakeholder engagement

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must demonstrate how we ensure that decisions are made in the public interest and the rationale for decisions is recorded	• The OPFCC has a decision-making framework and policy, and it publishes key decisions. These can be viewed on the OPFCC website. • A pro-forma decision template is in place for the OPFCC to use. There is a requirement to include all information, rationales, risks, financial and legal issues. • Minutes from meetings illustrate discussions and rationales for decisions made. • There are agreed timescales for the publication of information (including minutes and decisions).	In 2026/27, a review of the decision-making framework and associated processes will be undertaken to strengthen existing arrangements, ensuring they remain effective, proportionate and aligned with organisational needs, while continuing to support transparent, accountable and effective decision-making	
We must demonstrate how we achieve expected standards of openness and transparency, including a culture of internal challenge and self-assessment	• The OPFCC publishes information on its website in line with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and 2018 and guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures all aspects of key information are made public. • Examples of information published are – ○ agendas and reports of public meetings,		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	○ guidance on the Commissioner's funds, ○ freedom of information requests, ○ financial information and details of key decisions. • The OPFCC produces an Annual Report of the Commissioner's activities and achievements in the previous 12 months. • The OPFCC has an established process for receiving and responding to Freedom of Information Requests in line with specified timescales. An approved publication scheme is maintained on the OPFCC website.		
We must demonstrate the arrangements for consultation and engagement with citizens, service users and stakeholders and how these inform our decision-making	• Engagement over the last two years has been comprehensive and flexible, providing a wide range of opportunities so that the Commissioner can engage and listen to the public, service users and stakeholders. The approaches continue to develop to meet the changing needs of how people like to communicate, especially the impact of social media. • In December 2025, the Commissioner undertook a public consultation to seek the views of local residents on a proposed increase to the council tax precept. The findings from this consultation have been used to inform the budget setting process, ensuring that financial decisions reflect public opinion and support transparent and accountable decision-making. The findings were presented to the Police, Fire & Crime Panel at its meeting in January 2025. • The OPFCC logs all quality-of-service issues that are raised with the Commissioner, these are tracked and escalated to the Chief Constable or the Chief Fire Officer where appropriate. All correspondence sent to the		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	Commissioner receives an individual and tailored response. • This feedback is also used by the Constabulary or Fire Service to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. • The Commissioner seeks assurance from the Chief Constable and Chief Fire Officer that their respective organisations are dealing with the concerns raised via all quality of service issues through his internal Executive Boards for Policing and Fire. Key themes and trends also feed into the Constabulary's Organisational Learning Board. • Reports to the Community Scrutiny Panel and Executive Boards enables the Commissioner and OPFCC Executive Team to have oversight and scrutiny of these arrangements. • The Commissioner is directly involved in a wide range of partnership groups, including chairing key boards such as Safer Cumbria, the Combating Drugs Partnership, the Serious Violence Duty Board, and the Contest Board. These groups bring together different organisations to share information, understand local needs, and take a joined-up approach to community safety issues. • We also engage with partners when delivering our Commissioning Strategy, particularly to make sure the right support is in place for victims. For example, we have secured additional funding and worked with partner organisations to decide how it should be used based on		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	local needs. Through these partnerships and funding decisions, we make sure that what people and organisations tell us directly influences how services are designed, funded and delivered.		
We must demonstrate the ways in which we communicate with the community and stakeholders	Between 1 April 2025 and 31 March 2026, the OPFCC has: • Hosted 18 public surgeries across the county • Attended over 100 engagements and public events • Updated social media regularly to inform residents of the positive work of the office • Published 102 press releases and media invites • Arranged 64 interviews/media opportunities with local and national media • Provided 75 comments for inclusion in partners/journalists press releases		

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

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must demonstrate how we establish our vision, target outcomes and associated long-term plans to deliver sustainable outcomes	• Each Commissioner is required, for the duration of their term of office, to publish a Police, Fire and Crime Plan. This Plan is informed by the results of public and partner consultation, as well as an understanding of crime, fire and community safety trends and emerging issues. A new Police, Fire and Crime Plan was launched on 8 January 2025, setting out the Commissioner's priorities for the current term and is published on the OPFCC website, ensuring transparency and accessibility. • The Commissioner also produces an Annual Report, which provides a clear account of performance and progress against the objectives set out in the Police, Fire and Crime Plan. This supports accountability by demonstrating what has been delivered during the year and how outcomes align with the Commissioner's strategic priorities.		
We must demonstrate our decision-making arrangements and how we ensure consideration and demonstration of value for money and best value	• The OPFCC has clear decision-making arrangements supported by an established accountability framework and governance structures. The Commissioner holds regular Public Accountability Conferences, which provide a formal mechanism for reviewing performance, delivery against key priorities, and the budget setting process. These arrangements ensure that decision-making is transparent and informed by both financial and performance considerations. • This is further supported by a number of internal boards, which enable effective oversight of decision-making across both the Constabulary and the Fire & Rescue Service. The		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	overarching Executive Board provides a strategic forum through which the Commissioner maintains oversight of policing in Cumbria, working with senior officers to review key issues, assess performance and ensure that resources are being used effectively. • These arrangements ensure that decisions are subject to appropriate scrutiny and challenge, and are informed by robust financial and performance information. This supports the effective consideration and demonstration of value for money and best value, ensuring that resources are allocated efficiently and aligned with service priorities.		
We must demonstrate we have arrangements to achieve fair access to services	• The Partnerships and Commissioning Manager ensures that the services commissioned are consistent with the PFCC's objectives as set out in the Police, Fire & Crime Plan. • Services will be commissioned taking into account Sections 13-14 of the Victims and Prisoners Act 2024 which requires local policing bodies, local authorities and integrated care boards to collaborate when commissioning services for victims of domestic and sexual abuse and serious violence. • A joint needs assessment and local strategy must be developed demonstrating how they will collaborate to deliver and improve relevant victim support services. • During 2025/2026 the Commissioner has committed funding to projects and initiatives aimed at reducing offending and reoffending and supporting victims of crime. By working with partners, the OPFCC ensures that services are available to as many groups as possible. • The OPFCC sits on county wide boards and groups which gives it the ability for it to influence positively.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	• Equality Impact Assessments where required are completed and published alongside procurement exercises		
We must demonstrate our strategic approach to commissioning across our entity and our partnerships and collaborations	• To support procurement and commissioning activity, the OPFCC, Constabulary and Fire have in place Joint Procurement Regulations and a Social Value Policy, incorporating a modern slavery statement.		

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

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must demonstrate arrangements for medium and short-term service planning, supported by projects and programmes, to ensure alignment to our vision and objectives	• The OPFCC has a well-established Medium-Term Financial Planning (MTFP) process, which integrates financial planning with corporate and service planning to ensure that resources are aligned to the delivery of the Commissioner's vision and strategic objectives. The MTFP supports both medium and short-term planning by linking budget setting, capital investment decisions and service priorities, ensuring that resources are directed to key projects and programmes that support delivery. • The MTFP is reviewed annually to reflect changes in corporate priorities and the external environment (i.e., government funding allocations and grants) and directly informs the development of the Capital Programme. The planning process is embedded within governance arrangements, including Executive Board Police and Fire, where regular financial and performance reports are presented to the Commissioner for consideration, challenge and oversight. These arrangements ensure that planning is dynamic, aligned to organisational priorities, and supports effective delivery of outcomes		
We must ensure that budgets and resources align to the delivery of our objectives	• Funding arrangements, together with the Corporate Governance Framework and Scheme of Delegation, provide a structured basis for decision-making, ensuring that financial and resource allocation decisions are aligned with the delivery of objectives. • The OPFCC operates an established governance structure, including internal Executive Boards for both Police and Fire, which are chaired by the Commissioner.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	These forums enable the review of financial and performance information, ensuring that budgets and resources are directed appropriately, aligned to service priorities, and support the effective delivery of outcomes and value for money.		
We must demonstrate how we use self-assessment and continuous improvement to achieve value for money	• We undertake benchmarking analysis of the HMICFRS Value for Money Profiles to ensure expenditure is consistent with other force areas. This is reported to the Joint Audit Committee on an annual basis.		
We must demonstrate performance management arrangements to ensure continued alignment to our objectives	• The Commissioner has well-established internal accountability boards to help drive and monitor the efficiency and effectiveness of the Constabulary. They provide a structured framework to monitor performance, efficiency and effectiveness across the Constabulary. These boards enable senior officers from the OPFCC and Constabulary to work together to review performance against key priorities, assess emerging issues and risks, and identify appropriate actions to support delivery, including the effective use of resources. • This is support by a formal performance framework, which measures a suite of key performance indicators (KPI) on a bi-monthly basis, providing ongoing oversight into performance and progress against objectives. • During 2025-26 the Commissioner continued to hold the Chief Constable to account through his Public Accountability Conferences. These forums provide oversight of performance and delivery, with the Commissioner receiving assurance across key areas of policing and ensuring that performance remains aligned to strategic priorities.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	• The OPFCC operates a Commissioning Group, chaired by the Chief Executive. The Group provides oversight of commissioned services, ensuring that the Constabulary is effectively utilising services commissioned by the OPFCC and that associated funding is being used appropriately. Through regular monitoring of performance and review, the Group assesses delivery against agreed outcomes, ensuring that commissioned activity remains aligned to the Commissioner's priorities and strategic objectives and supports the effective use of resources.		
We must demonstrate arrangements for the achievement of social value in commissioning, procurement and contracting	• The OPFCC has a Procurement and Commissioning Strategy, supported by financial regulations and contract standing orders. Which provides a clear framework to ensure that procurement activity delivers value for money and best value. The Strategy also ensures that obligations to stakeholders are met by incorporating clear social, economic and environmental responsibilities into commissioning activity. • As part of the procurement process, consideration is given to wider social, economic and environmental benefits. The Public Services (Social Value) Act supports this approach by enabling the Commissioner to secure greater value from procurement, engage with local providers in the design and delivery of services, and encourage innovation to improve service outcomes.		

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

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must ensure we have member and officer protocols and clarity over roles and responsibilities, including schemes of delegation	• Governance roles and responsibilities are clearly defined, with statutory officer functions embedded within the Corporate Governance Framework, including a Scheme of Delegation.		
We must demonstrate application of the Code of Practice on Good Governance for Local Authority Statutory Officers	• The OPFCC demonstrates compliance with the Code of Practice on Good Governance for Local Authority Statutory Officers through the clearly defined roles, responsibilities and governance arrangements for its statutory officers, including the Head of Paid Service (Chief Executive), the Monitoring Officer (Chief Executive) and the Chief Finance Officer (Section 151 Officer). These roles are formally established within the Joint Corporate Governance Framework and Scheme of Delegation. • The Monitoring Officer (Chief Executive) has responsibility for ensuring lawfulness and fairness of decision-making and promoting high standards of conduct, while the Chief Finance Officer ensures the proper administration of financial affairs, financial sustainability and compliance with relevant financial regulations and codes. The Chief Executive provides corporate and strategic leadership and ensures that governance and decision-making arrangements operate effectively. • The statutory officers work collaboratively to support effective governance, and their roles are embedded within key decision-making and oversight arrangements, including Executive Boards and audit and scrutiny forums.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	These arrangements ensure that advice from statutory officers is integral to decision-making processes and that governance standards are consistently upheld across the organisation. • Job descriptions for all staff outline individual roles and responsibilities		
We must demonstrate how financial management roles align with: 1. CIPFA Financial Management Code (FM Code) 2. CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015), 3. The Role of the CFO in Combined Authorities (2024) or The Role of Chief Financial Officers in Policing (2021), as appropriate	• The OPFCC demonstrates strong alignment with recognised best practice in financial governance through the defined role and responsibilities of the Chief Finance Officer (Section 151 Officer), in line with relevant CIPFA guidance. The Chief Finance Officer provides professional oversight, is embedded in strategic decision-making, and ensures compliance with statutory and professional requirements. Financial performance is monitored through established governance structures, providing assurance that financial management supports delivery of organisational objectives and value for money. • In addition, The Chief Finance officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service. • The Chief Finance Officer and the wider Finance Team have continued to actively participate in the 'Achieving Financial Excellence in Policing' programme developed by the Chartered Institute of Public Finance and Accountancy (CIPFA).		
We must ensure arrangements are in place for the discharge of the monitoring officer function	• The Chief Executive acts as Monitoring Officer, with roles and responsibilities defined within the Corporate Governance Framework and Scheme of Delegation. The Monitoring Officer provides oversight of legal compliance		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	and governance, and is embedded within decision-making arrangements, ensuring that governance standards are upheld and the function is discharged effectively.		
We must demonstrate the arrangements in place for the discharge of the head of paid service function	• The Chief Executive acts as Head of Paid Service, with responsibilities defined within the Corporate Governance Framework and Scheme of Delegation. The role provides oversight of organisational management, staffing and governance arrangements, and is embedded within decision-making processes, ensuring that the organisation is effectively structured and resourced to deliver its objectives		
We must ensure induction and development programmes meet the needs of members and senior officers in relation to their strategic roles	• The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE). • The Chief Finance officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service. The Chief Finance Officer and the wider Finance Team have continued to actively participate in the 'Achieving Financial Excellence in Policing' programme developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). • All new members of staff undergo an induction process and receive support from line managers to develop during their first six months. • Ongoing development is supported through tailored training and access to professional development opportunities, ensuring that individuals maintain the knowledge and skills required to effectively fulfil their roles.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	Development needs are also identified through performance management arrangements. • As part of the Joint Audit Committee arrangements, dedicated development sessions are delivered at each meeting to support the ongoing development of members' knowledge and skills. These sessions provide relevant information and insight on key governance topics, such as value for money profiles, to strengthen members' understanding and enhance their ability to effectively discharge their responsibilities. • Community Scrutiny Panel members receive a induction presentation upon joining the Panel, ensuring they have an understanding of their roles and responsibilities and are equipped to contribute effectively to scrutiny and oversight arrangement.		
The organisation must demonstrate workforce planning and organisational development	• The OPFCC makes sure it has the right people, skills and structure in place to deliver the Commissioner's priorities. Key roles and responsibilities, including those of the Commissioner, the Chief Executive and other statutory officers, are clearly defined in legislation and set out in the Corporate Governance Framework and Scheme of Delegation. This ensures everyone understands their role and responsibilities. • The organisation is structured to support delivery, with specialist roles in place, such as the Head of Estates, who manages and develops the Commissioner's estate across policing and fire, and the Head of Legal, who provides legal advice to support lawful decision- making. The Chief Finance Officer oversees financial planning and ensures resources are used appropriately across the OPFCC, Constabulary and Fire.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	• The Commissioner's Police, Fire and Crime Plan sets out the overall priorities, while the Corporate Plan ensures the OPFCC is organised to support delivery of these priorities. • Staff development is supported through a training plan, which identifies required training for all staff, alongside Performance Development Reviews (PDRs), which identify individual learning needs. This helps ensure staff have the right skills and knowledge to do their jobs effectively.		
We must ensure arrangements in place for learning and development, and health and wellbeing	• Staff development is supported through a corporate training plan, which identifies both new and ongoing training needs. Delivery is facilitated through monthly extended team meetings for all staff, which are scheduled throughout the year and structured around key thematic areas. In addition, team away days are organised where specific training needs are identified. These sessions provide an opportunity to bring staff together, supporting learning and development, team building and overall wellbeing. • The Performance Development Reviews (PDRs) process provides a structured way to identify individual learning and development requirements, ensuring staff have the knowledge and skills needed to carry out their roles effectively. As part of the PDR process there is also a section where health and wellbeing is discussed. This provides an opportunity to identify any issues, agree appropriate support, and promote ongoing wellbeing. • The OPFCC has access to Occupational Health Services provided by the Constabulary. Staff can access a wide range of support services, including the ability to self-refer, which supports their health and wellbeing. This includes		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	services such as counselling and other wellbeing support, ensuring that staff have access to appropriate assistance to maintain their wellbeing and effectively carry out their roles. • The organisation holds weekly team and tasking meetings for the whole office providing regular opportunity for staff to raise concerns and to seek support where needed, such as workload pressure. • The OPFCC has a number of policies and procedures to support staff wellbeing. These include initiatives such as the Fair Passport process and workstation assessments, which help ensure that individual needs are identified and addressed.		

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

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must ensure we have a risk management policy, strategy and arrangements in place for review	• OPFCC strategic, operational and project risks are reviewed by officers on a quarterly basis. For each risk, a designated risk owner and overall risk manager are identified to ensure clear accountability and effective management. Updates are then reported to the OPFCC Executive Team, providing oversight and scrutiny of key risks and ensuring that appropriate mitigating actions are in place. • Each OPFCC project has a risk register which is updated on a monthly basis. Any risks which score highly are also placed on the OPFCC risk registers for monitoring purposes. • Strategic risk management arrangements are reported to the Joint Audit Committee on a six-monthly basis, providing independent scrutiny and assurance. • These arrangements are underpinned by the OPFCC's Risk Management Strategy, which is reviewed on a three-year cycle. A light-touch review of the Strategy was undertaken in March 2026, with a more comprehensive review of risk management processes planned for completion by the end of 2026 to further strengthen and enhance existing arrangements.	Following a light-touch review completed in March 2026, a more detailed review of the OPFCC Risk Management Strategy and associated processes will be undertaken by the end of 2026 to strengthen and enhance existing arrangements	
We must demonstrate how financial management arrangements align with the Financial Management Code	• The OPFCC demonstrates that its financial management arrangements are aligned with the principles of the CIPFA Financial Management Code (FM Code). Financial planning and management are supported through a well-established Medium-Term Financial Planning (MTFP)		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	process, which integrates financial and service planning to ensure resources are aligned to the delivery of the Commissioner's priorities. The Chief Finance Officer (Section 151 Officer) provides professional oversight of financial management, ensuring compliance with statutory requirements, sound financial governance, and the effective use of resources. Regular financial monitoring and reporting through internal Executive Boards (Executive Board Police, Executive Board Fire and Executive Team Gold) along with the Budget Public Accountability Conference held in February ensure that financial performance remains under review and supports effective decision-making and value for money.		
We must demonstrate internal control arrangements including: 1. Cyber, AI and information security arrangements 2. Information governance 3. Asset management 4. Procurement and contract management	The OPFCC maintains robust internal control arrangements across key areas of governance: 1. Cyber, AI and information security arrangements are supported through internal and external assessments and other appropriate inspections. 2. We have a Data Protection policy and guidance to support staff in receipting, storing and deleting data as appropriate. Throughout the year, refresher training/information is provided to staff at an Extended Team meeting. The OPFCC also has a joint Data Protection Officer with Cumbria Constabulary. Any identified data breaches notified to, or within, the OPFCC are highlighted to the Joint DPO to assess and advise of any course of action to be taken. Members of the Community Scrutiny Panel and our volunteers all sign confidentiality agreements to cover		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	any information they are made aware of as part of their respective roles. For suppliers we have Data Processing Contracts, Confidentiality Agreements and conduct Data Protection Impact Assessments. 3. Oversight of Asset Management across policing and fire is provided by the Head of Estates, ensuring that assets are managed efficiently and aligned with organisational priorities and value for money considerations. This is supported by the Estates Working Group, which meets on a bi-weekly basis. 4. The OPFCC operates a Procurement and Commissioning Strategy, supported by financial regulations and contract standing orders, which ensures that procurement activity is transparent, compliant and delivers best value. The OPFCC shares a Joint Head of Procurement with Cumbria Constabulary, who is responsible for the delivery of the Strategy. This role is supported by a dedicated team that provides advice, guidance and support to the OPFCC, the Constabulary and the Fire & Rescue Service. The Procurement & Commissioning Strategy is subject to governance oversight by the Joint Audit Committee.		
We must ensure assurance frameworks across the three lines. The framework should set out how the leadership team obtains its assurance, including from management, risk and compliance	• Through governance oversight at Executive Team Gold, Executive Boards, OPFCC Extended Team Meetings, Public Accountability Conference, Joint Audit Committee and Community Scrutiny Panel.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
arrangements, and internal audit			
We must ensure internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector(GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit	• We use an internal audit provider that is subject to an External Quality Assessment that demonstrates appropriate conformance with requirements. This is reported through the Joint Audit Committee.		
We must ensure arrangements in place for formal overview and scrutiny (as applicable)	• Risk management is underpinned by the OPFCC's Risk Management Strategy, which establishes a structured framework for identifying, assessing and managing risk. Within this framework, each identified risk is assigned a named risk owner and is subject to quarterly review. Risks are monitored internally through Executive Team Gold on a six-monthly basis, with strategic risks presented to the Joint Audit Committee (JAC) on a six-monthly basis. • Staff receive input on risk management throughout the year through Extended Team meetings. • The Constabulary reports on its strategic risks through the Executive Board Police on a regular basis, while Fire & Rescue provides quarterly updates through the Executive Board Fire. These arrangements ensure that strategic risks across both services are regularly reviewed, subject to appropriate oversight and challenge, and effectively managed. • Performance is subject to regular oversight through established governance forums. Performance is reviewed against an agreed suite of key performance indicators on a bi-monthly basis through Executive Board Police (EBP),		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	providing ongoing monitoring and challenge. Where areas require further focus, detailed reports are developed to provide deeper analysis of specific issues.		
We must demonstrate facilitation of internal and external challenge	• Strategic risks are presented to the Joint Audit Committee (JAC) on a six-monthly basis. This provides independent scrutiny and assurance that the OPFCC's risk management processes are being effectively managed. • Performance is subject to regular oversight through the Commissioner's Public Accountability Conferences, where he holds the Chief Constable and Chief Fire Officer to account. At each meeting, the Commissioner receive a detailed report outlining overall performance and delivery against strategic priorities. Thematic reports are also presented to provide more detailed analysis and insight into specific areas of performance to enable enhanced scrutiny and challenge. During 2025/26, the Commissioner received a range of thematic reports covering the following areas, organised crime, neighbourhood policing, cybercrime, organisational culture, delivery against the HMICFRS PEEL inspection, rape and serious sexual assault, and how the Constabulary interacts with the public. • The Community Scrutiny Panel continues to dip-sample and monitor, and receive reports on specific areas of activity, such as complaint handling, misconduct cases, grievances stop and search, and custody detention in relation to ethical issues. Any issued raised by the Community Scrutiny Panel are feedback to the		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	Commissioner, Chief Constable and Chief Fire Officer through the relevant Executive Board. • The dedicated Violence Against Women and Girls Scrutiny Panel meets quarterly, supported by the OPFCC and the Constabulary, and is chaired and attended by the volunteer members of Cumbria Victims Charitable Trust. The panel scrutinises cases of violence against women and girls, with feedback from the meeting submitted to the Constabulary's Central Repository for Scrutiny to help guide Officers on good or bad working practices and to improve on the service provided. • Key issues identified through the Scrutiny Panel are reported back to the Commissioner via Executive Board Police. This enables the Commissioner to hold the Chief Officers to account for any recommendations / areas for improvement identified by the panel.		
We must demonstrate undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022)	• Our Joint Audit Committee has Terms of Reference that follow the CIPFA guidance on the workings of an appropriate audit committee		
We must ensure counter fraud and anti-corruption is developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)	• Robust arrangements for Anti-Fraud and Corruption are in place. These are presented to the Joint Audit Committee and approved. The OPFCC provides an annual report to the Joint Audit Committee on the effectiveness of these arrangements. • The Constabulary on behalf of the OPFCC participates in the annual National Fraud initiative, completing a fraud risk assessment each financial year.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
Governance, risk and control arrangements across companies, partnerships, collaborations and arm's length bodies	• The OPFCC identifies risks with partners, through contract management and project management processes. There is an escalation process to the operational and strategic risks registers which are monitored by the OPFCC Executive Team.		
We must demonstrate internal governance and assurance standard (fire services only)	• This is monitored through Executive Board Fire and Public Accountability Conference		

Principle G: Implementing good practice in transparency, reporting and audit to deliver effective accountability

Evidence

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must demonstrate arrangements in place for the timely response and support to the work of external audit, internal audit and other inspection or regulatory action	• We have built relationships with external agencies that inspect us and meet all deadlines for the publication of key information, such as the statement of accounts.		
We must demonstrate our approach to welcoming external challenge and implementing recommendations	• External challenge is received from a range of sources, including external audit, HMICFRS inspections, the Police, Fire and Crime Panel, and independent scrutiny panels such as the Community Scrutiny Panel and Violence Against Women and Girls Independent Scrutiny Panel. These provide independent review, challenge and feedback on performance, governance arrangements and service delivery, ensuring transparency and accountability. • The OPFCC responds to findings and recommendations. Action plans are developed to address recommendations, with progress monitored through Executive Board Police and the Joint Audit Committee. This ensures that recommendations are appropriately considered, implemented and subject to ongoing scrutiny. • In addition, scrutiny panel feedback provides further opportunities for challenge and learning and are reported back to the Commissioner and Chief Constable via Executive Board Police.		
We must demonstrate how learning and improvement are actioned	• Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	are monitored by the Joint Audit Committee at each meeting.		
We must demonstrate how transparency and accountability are maintained across collaborations and arm's length bodies, such as trading companies and joint ventures	• Collaborative activity, including commissioned services and partnership working, is supported by clear contract management arrangements. These ensure that services delivered on behalf of the OPFCC are monitored against agreed outcomes, performance measures and financial commitments. Regular performance reporting and contract review processes provide assurance that delivery is effective, resources are used appropriately, and contractual terms and conditions are being met. • Partnership working is further supported through forums such as Safer Cumbria, where the OPFCC works alongside key partners to address criminal justice and community safety priorities. Chaired by the Commissioner, Safet Cumbria provides a structured framework that enables joint oversight and challenge across key priority areas, support the monitoring of performance, and ensures shared accountability across agencies. This ensures that collaborative activity is aligned to agreed objectives and delivers intended outcomes. • Transparency is maintained through clear reporting and engagement with stakeholders, while accountability is reinforced through established governance boards and scrutiny arrangements. These arrangements ensure that collaborative activities are subject to appropriate challenge and review, and that responsibilities and expectations are clearly understood by all parties.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
We must demonstrate that accountability to the public and stakeholders is supported by clear assurance and ensures core areas are covered to enable better accountability in practice	• The OPFCC demonstrates accountability to the public and stakeholders through a well-established accountability framework, supported by clear governance, assurance and scrutiny arrangements. This framework includes structured processes such as Public Accountability Conferences, Executive Boards for Policing and Fire, and scrutiny panels, which collectively provide oversight and scrutiny of performance, financial and risk management and service delivery. These forums ensure that key areas of activity are regularly reviewed and that the Commissioner is able to hold the Chief Constable and Chief Fire Officer to account in a transparent and structured manner. • In addition, independent scrutiny is provided through arrangements such as the Joint Audit Committee and external panels, ensuring that governance and control arrangements are robust and operating effectively. • Independent custody visitors are volunteers and members of local communities that provide independent scrutiny of police custody. They help to ensure detainees are treated properly and that processes are visible and open to public oversight. Their reporting and presence promote public confidence through transparency. • Engagement with the public and stakeholders is embedded through consultation processes, scrutiny panels and the publication of key information, supporting openness and transparency. • All these mechanisms are used to inform decision-making and drive continuous improvement.		

Governance Requirement	Evidence / Source of Assurance	Improvements/Updates	Effectiveness, including RAG
	• The Commissioner's website remains the central place for all information to be accessed.		

AGS Action Plan 2026/2027

Reference	Action	Lead Officer(s)	Implementation By
Principle B: Ensuring openness and comprehensive stakeholder engagement			
CPB/1	Review the decision-making framework and associated processes to strengthen existing arrangements, ensuring they remain effective, proportionate and aligned with organisational needs, while continuing to support transparent, accountable and effective decision-making.	Head of Legal / Accountability Manager	31 March 2027
Principle F: Managing risks and performance through robust internal control and strong public financial management			
CPF/1	Review the OPFCC Risk Management Strategy and associated processes to strengthen and enhance existing arrangements.	Accountability Manager	31 March 2027


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