OPCC
Office of the Police & Crime Commissioner for Gloucestershire

Police & Crime Commissioner for Gloucestershire

Statement of Accounts 2025/26

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Subject to audit

STATEMENT OF ACCOUNTS 2025/26

Narrative report by the Police and Crime Commissioner's Chief Finance Officer

The purpose of this report is to provide a clear guide to the most significant matters reported in the accounts and to comment on the Constabulary's financial performance and economy, efficiency and effectiveness during the year.

The Police Reform and Social Responsibility Act 2011 established the Chief Constable for Gloucestershire and the Police and Crime Commissioner (PCC) for Gloucestershire as separate legal entities (corporations sole). The primary function of the Chief Constable is the exercising of operational policing duties under the Police Act 1996. The PCC's function is to hold the Chief Constable to account for the exercise of these duties, thereby securing the maintenance of an efficient and effective police force in Gloucestershire. The Chief Constable is accountable to the PCC.

Both the PCC and the Chief Constable are required to publish statements of accounts. For accounting purposes, the PCC and the Chief Constable together are known as the Group. A separate set of statutory accounts has been prepared and published for the PCC and Group, capturing the financial activity in support of policing services across Gloucestershire. The accounts which follow show the Chief Constable's financial results for 2025/26.

The Chief Constable holds office as a servant of the crown and is not an employee. They have a statutory responsibility for the control over officers and employs the majority of the staff.

The PCC is elected by the public every four years and holds the Chief Constable to account for the exercise of their functions and those of persons under their direction and control. The PCC has retained employment only of staff in the Office of the PCC (OPCC). The PCC has retained ownership of all assets, and all contracts are let in the name of the PCC. The PCC is responsible for establishing all reserves and controls the cash flow. Chris Nelson, the Conservative candidate, was re-elected as Police and Crime Commissioner (PCC) for Gloucestershire on 2nd May 2024 for a period of four years. It is Mr Nelson's second term in office following his election in 2021 (his first term was reduced to three years following the COVID-19 pandemic).

Organisational Overview and External Environment

Gloucestershire is a largely rural county encompassing the Cathedral city of Gloucester, the historic Spa town of Cheltenham, the Royal Forest of Dean and a number of picturesque Cotswolds villages. Gloucestershire's urban centres are diverse with a thriving night-time economy.

The County hosts a number of significant events throughout the year which attract national attention. These include the National Hunt Festival (Gold Cup) at Cheltenham Racecourse, the Royal International Air Tattoo at Fairford, the Tall Ships Festival at Gloucester Docks and the annual Cheese Rolling competition at Cooper's Hill.

There are a number of royal households including Highgrove, the residence of King Charles and Queen Camilla as well as Gatcombe Park, the home of Princess Anne, two small airports and two universities: the University of Gloucestershire and the Royal Agricultural University. GCHQ is one of the UK's leading intelligence agencies and as such a large employer in the county.

STATEMENT OF ACCOUNTS 2025/26

The Police and Crime Prevention Plan for 2025/2029 was launched following the election of the PCC in May 2024 and is reviewed annually. Every PCC must set out the policing priorities for their area, which form the basis for the Police and Crime Prevention Plan. The PCC set six priorities:

- Creating safer communities
- Tackling violence against women and girls
- Strengthening your Constabulary
- Targeting the causes of crime
- Supporting victims and reducing reoffending
- Improving trust and confidence in policing

Governance

The Accounts and Audit Regulations 2015 require that the Annual Governance Statement accompanies the Statement of Accounts. The Chief Constable and the PCC have prepared a joint statement and have elected to publish the statement as a separate document. The Annual Governance Statement gives an assessment of the effectiveness of internal control procedures and should report any significant governance issues that have been identified. There are no significant governance issues.

Our approach to good governance:

- Governance of all ongoing operational matters is a Constabulary responsibility
- The Office of the Police and Crime Commissioner (OPCC) is represented effectively at all appropriate groups and boards
- Without prejudice to the operational independence of the Chief Constable and the specific duties of the Police and Crime Commissioner, governance is undertaken only once (where possible) on behalf of both legal entities
- Decision-making will take place at the most efficient and effective level in a style that is supportive and inclusive
- There is appropriate opportunity by relevant stakeholders to influence direction and key decisions
- Clear communication and visibility of decision making is available to staff and the public.

The Constabulary is subject to rigorous scrutiny and checks by a number of bodies to ensure that it is operating in accordance with its mandate. A number of these have statutory obligations including His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) which makes judgments on various areas of the Constabulary's activity, identifies areas for improvement and makes recommendations

The force is headed by the Chief Constable who is supported by the Deputy Chief Constable, and the Assistant Chief Officer. Our policing style is clear and based upon a local presence through visible and accessible neighbourhood policing teams, together with teams who respond to emergencies, investigate serious crimes and tackle cybercrime as well as a range of other support units.

We work with our partners, local communities and those who come into contact with us as victims, witnesses, partners, volunteers and staff, so that we are clear on what it is we need to do to deliver our priorities and make improvements to our policing services.

Strategic Objectives

Our strategic objectives for the 2025/26 year were set out within our Gloucestershire Rapid Improvement Plan (GRIP):

Our priorities

Investigate crime

- To be equipped to investigate crime
- To deliver high investigative standards
- To improve our victim satisfaction
- To keep children and young people safe.

Safer communities

- To appropriately respond to calls for service
- To reduce the impact of crime on our communities
- To build trust and confidence with our communities
- To disrupt crime and manage offenders.

Efficient organisation

- To deliver the agreed 2025/26 budget
- To understand and manage our demand
- To deliver planned technology solutions
- To build a culture of continuous improvement.

Ethical leadership

- To build internal trust and confidence across the organisation
- To improve wellbeing for our workforce
- To demonstrate professional standards and behaviours
- To increase workforce productivity and capability.

Risks and Opportunities

Effective risk management is an essential element of the Constabulary's planning and accurate and timely identification; assessment and management of risks are key to our decision making. We ensure that there are appropriate structures and processes in place to identify and evaluate risks and that appropriate controls and mitigation techniques are developed to address them.

A revised approach to risk management across the organisation was developed during the year and to support this ownership and delivery of the risk management and the Strategic Risk Register (SRR) transferred to Corporate Development in Q4 2025/26.

The expectation is that departments maintain their own risk registers, capturing risks identified through team-level Organisational Risk Assessments (ORAs). These risks will highlight issues that may impact the department's ability to deliver strategic intent or represent emerging threats.

By exception, risks are escalated to a Command Risk Register, where accountability sits with Chief Superintendents and risks are owned by the relevant Assistant Chief Constable/Officer (ACC/O) or Deputy Chief Constable (DCC) across the four commands. A further escalation tier allows strategic risks to be elevated where reasonable and appropriate. At this level, accountability rests with members of the Chief Officer Group (COG), with ownership of risk held by the Chief Constable.

Oversight of SRR is through the Recommendations, Improvement and Learning Board (RIaL) and then Constabulary Governance Board monthly.

Financial Performance

The resources put into policing are split into three separate areas: revenue, capital and pensions.

Revenue

Revenue budgets pay for the staffing and day to day running costs of the organisation and also allow for a prudent level of reserves to be set aside for future needs. This is funded from a combination of Central Government funding and Council Tax. The central government bodies (Home Office and the Ministry of Housing, Communities and Local Government) determine their contributions as part of the annual national funding settlements and the PCC makes the decisions each year about how much Council Tax, seeking approval from the Gloucestershire Police and Crime Panel for the level of precept increase. Central Government funds its contributions from all the taxes paid to HMRC, while Council Tax is collected by local authorities.

In February 2025, the PCC approved a revenue expenditure budget of £168.4m, funded by £88.2m grant from central government, £80.2m from Council Tax and £2.3m from reserves. The police element of the Band D Council Tax was set at £322.08, an increase of £14.00 (4.54%) on that set for 2024/25.

This revenue budget was split:

Constabulary budget	£165.0m
OPCC budget	£ 2.0m
PCC's Commissioning fund	£ 1.4m
Total	**£168.4m**

Shortly after the budget was produced, the Constabulary was awarded additional grant of £1.5m to support the delivery of the Government's Neighbourhood Policing Guarantee.

Capital

The PCC owns all force assets and hence they are included on the Balance Sheet of the PCC and Group but not the Chief Constable. Day to day management is delegated to the Chief Constable who receives a budget to fund these costs from the PCC.
Capital budgets are funded by the sale of excess assets, reserves built up from previous years' revenue budgets, specific grant funding from central government, borrowing and with revenue budget funding for assets with a short life, such as IT equipment.
In February 2025 the PCC approved a capital expenditure budget for 2025/26 of £8.6m funded by £2.1m capital reserve contributions, and £6.5m of new borrowing.

The capital programme included within the Capital Strategy which supported the budget included:

	£m
ICT (including key systems replacements)	5.9
Fleet	1.2
Estates	1.5
	8.6

Following the conclusion of the 2024/25 financial year, carry forwards of a further £6.0m were added to the programme. This related to elements of the 2024/25 programme which had been unspent during the financial year.

Pension Costs

The pensions costs for existing staff and officers which will need to be paid in the future are met from contributions from the revenue budget. Police pensions are paid by the local Policing Pensions Fund and then any costs in excess of current contributions are recovered from central government as a grant.

Police staff are eligible to be members of the Local Government Pension Scheme. Both the employee and Constabulary make contributions into the scheme which are invested into a pension fund administered by Gloucestershire County Council.

Financial Monitoring

Financial performance against the revenue and capital budgets were monitored throughout the year and reported to the Finance Panel, which is chaired the OPCC Chief Executive and are presented to the PCC Governance Board, which is attended by both the PCC and the Chief Constable, Chief Finance Officers from both the Constabulary and the OPCC, the Chief Executive of the OPCC and other senior officers and staff.

Revenue Outturn

The outturn for the year to 31 March 2026 shows an underspend of £1.8m, 1.0% of the Net Revenue Budget. This is split between OPCC (£0.9m) and Constabulary (£0.9m). This underspend resulted in a significant reduction in the budgeted drawdown from reserves, meaning only £0.5m of revenue reserves were used to balance the budget. This reduction in the net drawdown in reserves requirement protects our reserve balances as we go into 2026/27.

This left total general revenue reserves at 31 March 2026 at £20.4m, including a general fund reserve of £6.3m, 3.7% of the net expenditure budget.

In producing this underspend, the Constabulary achieved its £12.3m savings target, with additional support through reduced ICT licence costs. Of the £12.3m total savings, £8.4m reflects a permanent reduction to the annual budget, while £3.8m arises from the continued holding of police staff vacancies. This is proportionally the most significant saving achieved by any force in 2025/26.

The OPCC underspent by £0.9m through holding staff vacancies and reducing commissioning spend.

Capital Outturn

The original budget of £8.6m for 2025/26 was increased by £6.0m to £14.6m due to carry forwards from previous periods.

Capital spend in 2025/26 was £9.1m, of which £5.5m is an underspend and £0.4m of which will be carried forward to 2026/27 to fund projects which were underway at the end of the financial year but had not yet concluded.

The capital spend was focused on ICT with £3.3m on addressing technical deficits through, for example, hardware replacement programmes, National Enabling Programme and implementation of a new Duty Management System (GRS). An additional £3m was spent in the year on NICHE implementation, providing the Constabulary with an up-to-date records management system. This was delivered within budget.

In addition, the fleet replacement programme for the year was £1.4m, while £0.8m was spent across on the county on a variety of upgrades to the estate.

This expenditure was financed by:

- £7.1m of borrowing; and
- £2.0m from the Capital Receipts Reserve, in lieu of revenue contribution to capital outlay (RCCO) or borrowing.

The reserves of the Group are held by the PCC and are available for the Chief Constable to utilise in the performance of their duties, with approval by the PCC. Details of these reserves and their purposes are included in these financial statements. The PCC has a Reserves Strategy which is published on the OPCC website.

In reading these accounts, it should be noted that the Balance Sheet mainly reflects police pension scheme liabilities, which are underwritten by the PCC and that all bank accounts are held by the PCC and all income and funding is received by the PCC. As a result, the Cash Flow Statement for the Chief Constable does not show any figures.

Resource Allocation

The Constabulary received a £5.9m (7.0%) increase in government grant and £5.1m (4.5%) increase in precept funding for 2025/26 set against a £23.9m (15.0%) increase in net cost. Government grant funding now represents 53% of the total funding for Gloucestershire, compared to 66% in 2010.

The budget for 2025/26 provided the resources to deliver the Police and Crime Prevention Plan in year and over the medium term. Nearly 80% of budgeted expenditure is for the cost of officers and staff. This budget provided investment in staffing, ICT systems and equipment which will enable officers to carry out their core policing roles.

In order to develop the MTFP it is necessary to make a number of assumptions regarding funding and costs for 2025/26-2028/29. The assumptions for the 2025/26 MTFP were:

- A pay award of 2.0% for officers and staff in September 2025 of 2.0%, then 2.6%, 2.5% and 2.7% in the subsequent years. The pay award for the year was finalised at 4.2%, with partial funding received from Home Office to support the gap between assumptions and the agreed rate.
- Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR) and were noted as 2.0% for 2025/26 and 2.2%, for all subsequent years.
- Specific inflationary percentages were assumed in areas with significant variance from the CPI.
- Grant funding will increase in line with the assumed pay award inflation in subsequent years.
- There will be no formula funding review during the MTFP period.
- It is assumed that the tax base will increase by 1.0% per year for the next three years. For 2025/26 the tax base has increased by 2.19% due to the impact of the second homes levy.
- A Collection Fund surplus of £0.6m was confirmed during the budget process and was included within the budget. No surplus or deficit was assumed for subsequent years.
- The PCC will put the council tax up each year by the maximum flexibility. This was assumed at £10 in subsequent years.

Following the approval of the precept, budget and MTFP for 2025/26, the Constabulary was awarded £1.5m through the Neighbourhood Policing Guarantee. This is a government programme designed to restore public confidence and enhance visible policing in communities across England and Wales, as part of the Safer Streets Mission. This will be achieved through the appointment of an additional 13,000 police officers, police community support officers (PCSOs) and special constables into neighbourhood policing roles, with the first 3,000 in place by spring 2026.

The Constabulary's share of this initial 3,000 was 23 officers and this was achieved by the end of March 2026, in line with the government target.

In order to balance the budget, £12.3m of savings were required. This target was split between a number of pay and non-pay workstreams.

Operational Performance

In the 12 months to March 2026, Gloucestershire Constabulary recorded 45,094 crimes. In the year prior, there were 45,827 crimes which is a 1.6% reduction. The Constabulary receives approximately 11,649 "101 calls" per month and 7,832 "999 calls" per month (based on a twelve-month average). Our officers arrive at the scene of an emergency incident on median average within 11 minutes, and at "priority" incidents within one hour. Our Force operational priorities are set based upon understanding the threat, harm and risk posed by criminality within the county. They are:

- Financial, Criminal and Sexual Exploitation for Gain
- Child Abuse
- Domestic Abuse

Each priority has an operational lead and has developed a plan to prevent crime, protect victims and pursue offenders.

Operational performance was monitored through the Force Performance Group, chaired by the Deputy Chief Constable.

In October 2024, the substantive Chief Constable was suspended, and an interim Chief Constable was appointed two weeks later, later being successfully appointed as temporary Chief Constable. This situation remained throughout 2025/26, ensuring leadership stability whilst the misconduct process was conducted.

The Office of the Police and Crime Commissioner (OPCC) has continued to provide strategic oversight of the Police and Crime Prevention Plan, working in close collaboration with Gloucestershire Constabulary, the Police and Crime Panel, Community Safety Partnerships and Gloucestershire County Council. Delivery is supported by designated OPCC priority leads aligned to each of the six priority areas, ensuring clear accountability and coordination. Performance management arrangements remain central to this oversight, with established frameworks and performance indicators (PIs) used to monitor delivery, outcomes and value for money. While the implementation of the Niche (Constabulary records management) system has temporarily constrained data availability and performance reporting, mitigating actions are in place, and work is progressing to embed the national Police Performance Framework into local reporting arrangements.

Governance and assurance have been strengthened through routine performance monitoring and reporting, including the sharing of scorecards aligned to Serious Violence Duty requirements. These incorporate key PIs relating to crime rates, victim satisfaction, incident outcomes and harm reduction measures. Governance structures, including the Reducing Reoffending Board and Local Criminal Justice Board, have been refreshed to ensure alignment with Police and Prevention Crime Plan priorities and to drive improved performance across the criminal justice system. The OPCC has also continued to prioritise organisational legitimacy through the co-commissioned national Oscar Kilo Wellbeing Survey, which provides valuable workforce insight on internal trust and confidence. Findings are overseen by a jointly chaired (Constabulary and OPCC) Trust and Confidence Board, enabling the Police and Crime Commissioner to hold the Temporary Chief Constable to account against defined cultural and organisational PIs.

An additional £338k from the Home Office Domestic Abuse Perpetrator Fund has supported ongoing investment in workforce capability and operational effectiveness, particularly in relation to domestic abuse and vulnerability. This has funded training—commissioned and coordinated by the OPCC with the constabulary—to enhance officers' understanding of coercive control, stalking behaviours, the "Voice of the Child," and the links between domestic abuse and suicide risk, with the aim of improving key performance indicators such as arrest rates, positive outcomes, and repeat victimisation. It has also strengthened the Multi-Agency Tasking and Coordination (MATAC) process, improving the identification and management of high-harm perpetrators and contributing to better safeguarding outcomes.

The OPCC continues to invest significantly in victims' services, ensuring that support is accessible, high-quality and responsive to need. During the reporting period, this included commissioning a new Independent Sexual Violence Advisor (ISVA) service (£566k per annum), continued delivery of a comprehensive Victim Support service (£496k per annum), and contributions to Independent Stalking Advocacy Casework (ISAC) provision (£110k per annum). Domestic abuse services have been co-commissioned with Gloucestershire County Council, with OPCC funding of £126k per annum supporting the Gloucestershire Domestic Abuse Support Service (GDASS). Additional investment has been made in targeted initiatives such as sanctuary schemes to enable victims to remain safely in their homes and funding for Domestic Abuse Related Death Reviews (OPCC contribution of £23,675 in 2025/26). These services are monitored through a range of PIs, including service uptake, timeliness of support, victim satisfaction and longer-term outcomes such as reduced repeat victimisation and increased engagement with the criminal justice process.

Operational activity has been further strengthened through the effective use of external funding. Gloucestershire Constabulary secured £96k from the Home Office to deliver Project Vigilant, which has now been embedded into business-as-usual activity following successful delivery against operational PIs, including officer training, deployment volumes and safeguarding outcomes in the nighttime economy. In addition, the OPCC coordinated delivery of the Hotspot Action Fund (£1m), which resulted in over 12,000 hours of patrol activity across identified locations, alongside the Home Office Safer Streets Summer and Winter initiatives, delivering thousands of additional police and partner patrol hours focused on reducing violence, anti-social behaviour and acquisitive crime. These initiatives are monitored against PIs relating to crime reduction, visibility, and public confidence.

The OPCC has maintained a strong focus on partnership working and statutory responsibilities. Multi-agency collaboration exercises have been delivered to improve interoperability across emergency services, with performance measured through newly developed KPIs assessing effectiveness and learning. Statutory functions, including the administration of Anti-Social Behaviour Case Reviews (29 new applications and 4 historic reviews in 2025/26) and Independent Custody Visiting, continue to provide essential scrutiny and assurance. The Independent Custody Visiting scheme has achieved the Quality Assurance Framework Platinum award, demonstrating the highest standards of delivery and governance.

Serious Violence Duty funding (£330,782 in 2025/26) has been utilised to support a range of preventative interventions, with a strong emphasis on early intervention and public health approaches. This includes a multi-agency programme targeting young males at risk of entering the criminal justice system, as well as educational initiatives such as the StreetWIZE programme addressing knife crime and exploitation among children and young people aged 7–18. Additional funding has supported targeted local interventions, including violence against women and girls (VAWG) initiatives and youth activity programmes aimed at reducing anti-social behaviour and improving wellbeing. These programmes are subject to ongoing evaluation, with outcomes measured against PIs including reductions in offending, engagement levels and improved life outcomes.

Finally, the OPCC continues to strengthen its approach to engagement and continuous improvement. Plans to introduce a new Victims' Engagement Forum will ensure that lived experience directly informs service design, commissioning decisions and performance monitoring. This will complement existing PIs and feedback mechanisms, further enhancing the OPCC's ability to deliver effective, efficient and victim-centred services.

Basis of Preparation and Presentation

The Statement of Accounts are prepared on a going concern basis, assuming that Gloucestershire Constabulary will continue in operation for the foreseeable future.

It is the purpose of the statement of accounts to demonstrate that the Chief Constable has accounted for public money properly and in accordance with all relevant financial standards. The accounts provide useful information to a wide range of users about the financial position, financial performance and cash flows of Gloucestershire Constabulary because they are in the same format as those prepared by others and therefore directly comparable. The accounts are, therefore, necessarily detailed and technical with explanatory notes.

The Chief Constable is required by statute to make funding decisions on a different basis from the way in which these decisions are reported within the Statement of Accounts. The Expenditure and Funding Analysis statement shows how the managed costs differ from the reported costs in these statements. This is because a number of adjustments are made in the statement of accounts to incorporate accounting adjustments in the areas of pensions, employee benefits and depreciation which are not funded by statute.

For accounting purposes, the concept of "substance over form" requires that the economic substance of transactions and events must be recorded in the financial statements rather than just their legal form, in order to present a true and fair view of the affairs of the entity. These accounts are produced in line with this concept.

STATEMENT OF ACCOUNTS 2025/26

The format and content of the Accounts are laid down by the Code of Practice on Local Authority Accounting in the UK 2025/26 (the 'Code') based on International Financial Reporting Standards, adopted by CIPFA, the professional body of public sector accountants. The accounting policies adopted by the Chief Constable comply with recommended accounting practices and are explained on pages 34 to 43.

The Accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

The Police Reform and Social Responsibility Act 2011
The Home Office Financial Management Code of Practice for the Police Service of England and Wales
Scheme of Delegation between the PCC and the Chief Constable
Corporate Governance Framework for the Group.

These financial statements include the following:

- Statement of Responsibilities. This sets out the responsibilities of the Chief Constable and the Chief Finance Officer in respect of the Statement of Accounts
- Comprehensive Income and Expenditure Statement. This recognises the financial resources belonging to the PCC consumed at the request of the Chief Constable for the year to 31st March 2026 (as opposed to the overall cost of policing Gloucestershire as shown by the Group Accounts)
- Movement in Reserves Statement. This statement summarises the movements to and from the reserves for the year 2025/26. The only movements applicable to the Chief Constable accounts are those relating to pensions. All reserves are held by the PCC, not by the Chief Constable
- Balance Sheet as at 31st March 2026. The Balance Sheet shows the value of the assets and liabilities recognised by the Chief Constable. The Balance Sheet includes pension liabilities and assets. The net pension liability is underwritten by an intra-group debtor with the PCC
- Cash Flow Statement. This shows the changes in cash and cash equivalents of the Chief Constable during the accounting period. The Chief Constable does not manage any of these transactions and accordingly this statement does not show any figures. Movements of monies are included in the Accounts of the PCC
- Police Pension Fund Accounts. These comprise the Fund account, the Net assets Statement and the related notes, shown at the end of the Statement of Accounts.

Pension Schemes

The Group participates in two pension schemes: the Police Pension Scheme and the Local Government Pension Scheme (LGPS). Both schemes are categorised as 'defined benefit' schemes.

The Police Pension Scheme is an unfunded defined benefit scheme. There are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pension's payments as they fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension funds for the year are less than the amounts payable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by a central government top-up grant. The Group received a top up grant for 2025/26 of £21.9m for 100% of the deficit.

The Group is obliged to include the police pension accounts in their statement of accounts; see Note 10 and the Fund Account and Notes on pages 84-85.

In accordance with the requirements of International Accounting Standard No 19 – Employee Benefits (IAS19), as amended, the Chief Constable Statement of Accounts includes net pension liabilities and a pension's asset in its Balance Sheet, and entries in the Comprehensive Income and Expenditure Statement to reflect movements in the assets and liabilities relating to the pension schemes.

Peter Robinson FCPFA MBA
Chief Finance Officer for the Police and Crime Commissioner (Section 151 Officer)
DATE:

STATEMENT OF ACCOUNTS 2025/26

Responsibilities for the statement of accounts

The PCC's Responsibilities

The PCC 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. That officer is the Chief Finance Officer.
- Manage his affairs to secure economic, efficient and effective use of resources and to safeguard his assets.
- Approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

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

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

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

The Chief Finance Officer has also:

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

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

Report on the Audit of the Financial Statements

STATEMENT OF ACCOUNTS 2025/26

Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

2024/25 Gross Expenditure £000s	2024/25 Gross Income £000s	2024/25 Net Expenditure £000s		Note Number	2025/26 Gross Expenditure £000s	2025/26 Gross Income £000s	2025/26 Net Expenditure £000s
			Gross expenditure, gross income and net expenditure of continuing operations				
159,106	(30,469)	128,637	Policing Services	7	158,750	(34,444)	124,306
159,106	(30,469)	128,637	**Net Cost Of Service**		158,750	(34,444)	124,306
			Other Operating Income and Expenditure				
0	(33)	(33)	(Gain)/loss on disposal of non current assets	7	0	(263)	(263)
0	(33)	(33)	**Total Other Operating (Income) and Expenditure**		0	(263)	(263)
			Financing and Investment Income and Expenditure				
2,521	0	2,521	Interest payable and similar charges	13	2,902	0	2,902
49,359	0	49,359	Net Interest on the net defined benefit liability	10	48,856	0	48,856
0	(1,433)	(1,433)	Investment Interest income	7	0	(1,110)	(1,110)
51,880	(1,433)	50,447	**Total Financing and Investment (Income) and Expenditure**		51,758	(1,110)	50,648
			Taxation and Non-Specific Grant Income				
21,647	(101,843)	(80,196)	Grants	7	21,933	(105,796)	(83,863)
0	(75,075)	(75,075)	Precepts	15	0	(80,273)	(80,273)
21,647	(176,918)	(155,271)	**Total Taxation and Non-Specific Grant (Income) and Expenditure**		21,933	(186,068)	(164,136)
232,632	(208,852)	23,780	**(Surplus)/Deficit on the Provision of Services**		232,440	(221,885)	10,555
0	(189)	(189)	(Surplus)/deficit on revaluation of non-current assets	23	0	(470)	(470)
0	(151,503)	(151,503)	Remeasurement of the net defined benefit liability	11	0	(7,445)	(7,445)
0	(151,692)	(151,692)	**Other Comprehensive (Income) and Expenditure**		0	(7,915)	(7,915)
232,632	**(360,544)**	**(127,912)**	**Total Comprehensive (Income) and Expenditure**		**232,440**	**(229,800)**	**2,640**

The statement above shows the accounting cost in the year to 31 March 2026 of providing services for the Group, in accordance with generally accepted accounting practices, in addition to the amount of funding by way of grant income.

STATEMENT OF ACCOUNTS 2025/26

PCC Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

2024/25 PCC Gross Expenditure £000s	2024/25 PCC Gross Income £000s	2024/25 PCC Net Expenditure £000s		Note Number	2025/26 PCC Gross Expenditure £000s	2025/26 PCC Gross Income £000s	2025/26 PCC Net Expenditure £000s
			Gross expenditure, gross income and net expenditure of continuing operations				
6,488	(30,469)	(23,981)	Policing Services	7	5,061	(34,444)	(29,383)
6,488	(30,469)	(23,981)	**Net Cost of Service before funding**		5,061	(34,444)	(29,383)
152,618	0	152,618	Intra-group funding		153,689	0	153,689
159,106	(30,469)	128,637	**Net Cost of Service**		158,750	(34,444)	124,306
			Other Operating (Income) and Expenditure				
0	(33)	(33)	(Gain)/loss on disposal of non current assets	7	0	(263)	(263)
0	(33)	(33)	**Total Other operating (Income) and Expenditure**		0	(263)	(263)
			Financing and Investment Income and Expenditure				
2,521	0	2,521	Interest payable and similar charges	13	2,902	0	2,902
49,359	0	49,359	Intra group funding pensions interest		48,856	0	48,856
0	(1,433)	(1,433)	Investment Interest income	7	0	(1,110)	(1,110)
51,880	(1,433)	50,447	**Total Financing and Investment (Income) and Expenditure**		51,758	(1,110)	50,648
			Taxation and Non-Specific Grant Income				
21,647	(101,843)	(80,196)	Grants	7	21,933	(105,796)	(83,863)
0	(75,075)	(75,075)	Precepts	15	0	(80,273)	(80,273)
0	(151,503)	(151,503)	Intra-Group funding actuarial (gains)/losses		0	(7,445)	(7,445)
21,647	(328,421)	(306,774)	**Total Taxation and Non-Specific Grant (Income) and Expenditure**		21,933	(193,514)	(171,581)
232,632	**(360,355)**	**(127,723)**	**(Surplus)/Deficit on Provision of Services**		**232,440**	**(229,331)**	**3,110**
0	(189)	(189)	(Surplus)/deficit on revaluation of non-current assets	23	0	(470)	(470)
232,632	**(360,544)**	**(127,912)**	**Total Comprehensive (Income) and Expenditure**		**232,440**	**(229,800)**	**2,640**

The statement above shows the accounting cost in the year to 31 March 2026 of providing services in accordance with generally accepted accounting practices for the PCC, in addition to the amount of funding by way of grant income.
The consolidated accounting cost and funding for the PCC Group to 31 March 2026 is shown on the previous page.

STATEMENT OF ACCOUNTS 2025/26

Movement in Reserves Statement for the PCC Group for the year ended 31 March 2026

	General Fund Balance	Capital Receipts Reserve	Revenue Contribution to capital unapplied	Capital Grants Unapplied	Total Usable Reserves (Note 8)	Unusable Reserves (Note 9)	Total Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2025	20,984	4,560	405	401	**26,349**	**(914,780)**	**(888,431)**
Movement in reserves during 2025/26							
Total Comprehensive Expenditure and Income	(10,555)	-	-	-	**(10,555)**	**7,915**	**(2,640)**
Adjustments between accounting basis & funding basis under statutory provisions	9,986	(1,772)	-	-	**8,215**	**(8,215)**	-
Increase or (decrease) in 2025/26	(569)	(1,772)	-	-	**(2,341)**	**(300)**	**(2,640)**
Balance at 31 March 2026 carried forward	20,415	2,788	405	401	**24,009**	**(915,080)**	**(891,071)**

The General Fund balance at 31 March 2026 includes £14.0m (31 March 2025: £14.9m) of earmarked reserves. Details of these earmarked reserves can be found in note 8.

	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves (Note 8) £000	Unusable Reserves (Note 9) £000	Total Reserves £000
Balance at 31 March 2024	25,239	4,460	405	399	30,503	**(1,046,846)**	**(1,016,343)**
Movement in reserves during 2024/25							
Total Comprehensive Expenditure and Income	(23,780)	-	-	-	**(23,780)**	**151,692**	**127,912**
Adjustments between accounting basis & funding basis under statutory provisions	19,525	100	-	2	**19,627**	**(19,626)**	-
Increase or (decrease) in 2024/25	(4,255)	100	-	2	**(4,154)**	**132,066**	**127,912**
Balance at 31 March 2025 carried forward	20,984	4,560	405	401	**26,349**	**(914,780)**	**(888,431)**

Movement in Reserves Statement for the PCC for the year ended 31 March 2026

STATEMENT OF ACCOUNTS 2025/26

	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves (Note 8) £000	Unusable Reserves (Note 9) £000	Total Reserves £000
Balance at 31 March 2025	20,984	4,560	405	401	**26,350**	**(914,780)**	**(888,431)**
Movement in reserves during 2025/26							
Total Comprehensive Expenditure and Income	(3,110)	-	-	-	**(3,110)**	**470**	**(2,640)**
Adjustments between accounting basis & funding basis under statutory provisions (Note 8)	2,541	(1,772)	-	-	**769**	**(769)**	0
Increase or (decrease) in 2025/26	(569)	(1,772)	-	0	**(2,341)**	**(300)**	**(2,640)**
Balance at 31 March 2026 carried forward	20,415	2,788	405	401	**24,009**	**(915,080)**	**(891,071)**

	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves (Note 8) £000	Unusable Reserves (Note 9) £000	Total Reserves £000
Balance at 31 March 2024	25,239	4,460	405	399	**30,503**	**(1,046,846)**	**(1,016,343)**
<u>Movement in reserves during 2024/25</u>							
Total Comprehensive Expenditure and Income	127,723	-	-	-	**127,723**	**189**	**127,912**
Adjustments between accounting basis & funding basis under statutory provisions (Note 8)	(131,978)	100	-	2	**(131,876)**	**131,876**	-
Increase or (decrease) in 2024/25	(4,255)	100	-	2	**(4,153)**	**132,065**	**127,912**
Balance at 31 March 2025 carried forward	20,984	4,560	405	401	**26,350**	**(914,780)**	**(888,431)**

PCC and Group Balance Sheet as at 31 March 2026

31 March 2025				Note	31 March 2026		
CC £'000	PCC £'000	Group £'000		Number	CC £'000	PCC £'000	Group £'000
			Property, Plant & Equipment	23			
-	52,376	52,376	- land & buildings		-	52,067	52,067
-	7,816	7,816	- plant		-	7,934	7,934
-	4,474	4,474	- vehicles		-	3,800	3,800
-	5,981	5,981	- equipment		-	6,056	6,056
-	-	-	- assets under construction		-	568	568
-	1,661	1,661	**Investment Property**	23	-	1,661	1,661
-	4,808	4,808	**Intangible Assets**	24	-	9,007	9,007
937,700	-	-	Pensions intra-group adjustment		938,026	-	-
937,700	77,116	77,116	**Total Long Term Assets**		938,026	81,093	81,093
			Current Assets				
-	646	646	- Inventories		-	650	650
3,314	17,407	20,720	- Short Term Debtors	27	2,089	18,190	20,279
4,669	3,314	-	- Intra-group adjustment		4,431	2,089	-
-	11,397	11,397	- Cash and Cash Equivalents	28	-	12,760	12,760
7,982	32,763	32,763	**Total Current Assets**		6,520	33,689	33,689
			Current Liabilities				
4,669	13,592	18,261	- Short Term Creditors	29	4,431	15,427	19,858
-	580	580	- Short Term Borrowing	30	-	694	694
3,314	4,669	-	- Intra-group adjustment		2,089	4,431	-
-	635	635	- Provisions	32	-	745	745
7,982	19,476	19,476	**Total Current Liabilities**		6,520	21,298	21,298
			Long Term Liabilities				
-	14,637	14,637	- Long Term Creditors	22	-	13,843	13,843
-	26,498	26,498	- Long Term Borrowing	30	-	32,686	32,686
-	937,700	-	- Pensions intra-group adjustment		-	938,026	-
937,700	-	937,700	- Other Long Term Liabilities	10	938,026	-	938,026
937,700	978,835	978,835	**Total Long Term Liabilities**		938,026	984,556	984,556
-	**(888,431)**	**(888,431)**	**Net Liabilities**		**0**	**(891,071)**	**(891,071)**
			Usable reserves	8			
-	6,035	6,035	- General Fund		-	6,336	6,336
-	14,949	14,949	- Earmarked reserves		-	14,079	14,079
-	4,560	4,560	- Capital Receipts Reserve		-	2,788	2,788
-	405	405	- Revenue contribution to Capital Reserve Unapplied		-	405	405
-	401	401	- Capital Grants Unapplied		-	401	401
-	26,349	26,349	**Total Usable reserves**		-	24,009	24,009
			Unusable Reserves	9			
-	13,068	13,068	- Revaluation Reserve		-	13,305	13,305
-	(937,700)	(937,700)	- Pensions Reserve		-	(938,026)	(938,026)
-	13,176	13,176	- Capital Adjustment Account		-	12,743	12,743
-	844	844	- Collection Fund Adjustment Account		-	898	898
-	(4,168)	(4,168)	- Short-term Accumulating Compensated Absences Account		-	(4,001)	(4,001)
-	(914,780)	(914,780)	**Total Unusable Reserves**		-	(915,080)	(915,080)
-	**(888,431)**	**(888,431)**	**Total Reserves**		**-**	**(891,071)**	**(891,071)**

Peter Robinson, FCPFA MBA, Section 151 and Police and Crime Commissioner's Chief Finance Officer Date:

PCC and Group Cash Flow Statement for the year ended 31 March 2026

2024/25 £'000	2024/25 £'000		2025/26 £'000	2025/26 £'000
		Operating Activities (Note 37)		
		Cash inflows		
(74,994)		Council Tax receipts	(80,218)	
(23,973)		Allocation of ex-DCLG formula funding	(24,862)	
(45,406)		Police grant	(47,106)	
(6,082)		Council Tax support grant	(6,082)	
(23,919)		Other grants	(25,475)	
(4,925)		Cash received for goods and services	(4,780)	
(1,185)		Interest received	(1,346)	
(7,690)		Other operating cash receipts	(10,119)	
	(188,174)			(199,988)
		Cash outflows		
101,677		Cash paid to and on behalf of employees	105,613	
36,245		Cash paid to suppliers of goods & services	37,279	
2,413		Interest paid	2,667	
47,186		Other operating cash payments	49,678	
	187,521			195,236
	(653)	**Net cash flows from operating activities**		**(4,752)**
		Investing Activities		
10,043		Purchase of property, plant & equipment, investment property and intangible assets (Note 38)	8,840	
(358)		Sale of property, plant & equipment	(38)	
(894)		Other receipts from investing activities	-	
	8,791	**Net cash flow from Investing Activities**		**8,802**
		Financing Activities (Note 39)		
(15,000)		New loans raised	(13,500)	
692		Capital element of PFI payment	655	
8,519		Repayments of amounts borrowed	7,432	
	(5,789)	**Net cash flow from Financing Activities**		**(5,413)**
	2,349	**Net (increase)/decrease in cash and cash equivalents (Note 40)**		**(1,363)**
(6,481)				
	(13,746)	**Cash and cash equivalents at the beginning of the reporting period**		**(11,397)**
	(11,397)	**Cash and cash equivalents at the end of the reporting period**		**(12,760)**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group and the PCC during the reporting period. As there is no distinction between the Group and the PCC movements there is no separate statement for the PCC.

Notes to the accounts

1. Statement of accounting policies 2025/26

a. General principles

The Statement of Accounts summarises the Group and PCC's transactions for the 2025/26 financial year and the position at the year-end of 31st March 2026. These financial statements have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26* ("Code of Practice"). The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets.

The Financial Statements included here represent the accounts for the PCC and also those for the PCC Group. The Financial Statements cover the twelve months to 31st March 2026. The term 'Group' is used to indicate individual transactions and policies of the PCC and Chief Constable for the year ended 31st March 2026. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the Police Reform and Social Responsibility Act 2011.

Whilst all expenditure is paid for by the PCC, including the wages of police staff and officers, the actual recognition in the respective PCC and Chief Constable Accounts is based on economic benefit.

b. Estimation Techniques

Accounting policies and estimation techniques have been selected and exercised, having regard to the accounting principles and contents set out in IAS 8 and IPSAS 3 (*Accounting Policies, Changes in Accounting Estimates and Errors),* specifically:

- The qualitative characteristics of financial information
- Relevance
- Reliability
- Comparability
- Understandability
- Materiality
- Pervasive accounting concepts
- Accruals
- Going concern
- Primacy of legislative requirements

c. Accruals of expenditure & Income

The Balance Sheet and the Comprehensive Income and Expenditure Statement are maintained on an accruals basis in accordance with the Code of Practice. This means that the accounts are prepared on the basis of income due and expenditure payable in the year to 31st March 2026, whether or not the cash has actually been received or paid in the year. Debtors have been included where an invoice has been raised but not paid. All manual accruals with a value of £1,000 or more will be processed in the accounts.

Interest payable and receivable is accrued within the accounts up to and including 31st March 2026.

d. Council Tax

Council tax income included within the comprehensive income and expenditure statement includes our share of the surplus or deficits from other local authority collection funds.

e. Government Grants

Revenue Grant
Government grants are shown as income within the Comprehensive Income and Expenditure Statement and are used to fund the expenditure on policing activities.

Capital Grant
Income received in respect of capital grants is shown within the Comprehensive Income and Expenditure Statement. When the income is matched to the capital expenditure it is transferred to the Capital Adjustment Account. Any unused capital grant is allocated to the Capital Grant Unapplied Account within reserves.

Specific Grants
Specific grant income is recognised immediately within the Comprehensive Income and Expenditure Statement on an accruals basis. If there are conditions outstanding to be achieved on the specific grants at the end of the financial year they are recognised as a receipt in advance.

f. Material Items

When items of income and expenditure are material, their nature and amount 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 the Group and PCC's financial performance.

g. VAT

VAT is reclaimed based on the tax date of a creditor invoice rather than the point the invoice is actually paid.

h. Provisions and Contingent Liabilities

Provisions are made when an event has taken place that gives the PCC a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the PCC becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

i. Reserves

The PCC sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service 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 General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

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

j. Property, plant and equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of non-current assets is capitalised on an accruals basis, provided that it yields benefits to the PCC and that it provides services for more than one financial year. Assets are capitalised when they are operationally ready for service. Prior to this they are categorised as Assets under Construction (Work in Progress). The PCC has selected a de minimis threshold of £20,000 (individually or as groups of assets) below which assets are not capitalised, apart from vehicle purchases, which are all capitalised.

The PCC for Gloucestershire has no material heritage assets that require separate classification.

Measurement

Non-current assets are valued as recommended by Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS). Assets are classified into the groupings required by the Code. Assets are valued as follows:

1. Land, buildings and plant
Assets are shown on the basis of a full valuation of the PCC's freehold and leasehold property at 31st March 2025, undertaken by Wilks, Head & Eve. For the year ended 31 March 2026, the change in value has been estimated using Building Cost Information Services (BCIS) indices.
A de minimis limit of £20,000 was used for these purposes.

Operational property, including plant, is measured for their service potential at current value i.e. existing use value. Where no market is in existence or where assets are specialised, a Depreciated Replacement Cost, measurement is used. All surplus assets are measured at fair value. Under IFRS 13, Fair Value is a market-based assessment which uses the assumptions that market participants would use when pricing the asset under current market conditions. Where applicable, the valuations reflect evidence of recent market transactions involving similar properties in each locality. Depreciated Replacement Cost is recognised as an acceptable method of estimating Market Value where more reliable methods cannot be applied.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom requirements changed in respect of revaluations of property, plant and equipment and authorities must either apply a rolling programme of revaluations or revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where indices cannot be obtained without undue cost or effort, assets are revalued using a quinquennial revaluation with a desktop revaluation in year three. In accordance with our existing accounting policies, assets included at fair value or current value (i.e. land and buildings) are re-valued where there have been material changes in the value, or a change in use, and as a minimum every five years with indexation applied in the intervening years in accordance with the RICS Red Book requirements.

The Balance Sheet includes the impact from the assessment of impairments to buildings.

2. Vehicles and equipment
Vehicles and equipment are included at historical cost, less accumulated depreciation.

When an asset is re-valued, any increase in value is credited to the Revaluation Reserve unless the asset has previously been re-valued downwards, in which case it is credited to the Comprehensive Income and Expenditure Statement up to the value of the previous loss. Land and buildings are subject to a full revaluation exercise at least every five years with interim annual desktop valuations to assess the impact of general market movements. The last full valuation took place at 31st March 2026 (excluding the radio masts). The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment
In between valuations, an annual impairment review is undertaken of properties with less than 40 years life to identify any significant drop in value. Where impairment is identified as part of the annual review or as a result of a valuation exercise, this is accounted for by:
An impairment loss on a re-valued asset shall be recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the revaluation reserve for the same asset and thereafter in Surplus or Deficit on the Provision of Services.
An impairment loss on a non-revalued asset shall be recognised in Surplus or Deficit on the Provision of Services.

Disposals and 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. Depreciation is not charged on Assets Held for Sale. When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line also as part of the net gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Capital receipts from the disposal of assets are accounted for on an accrual basis where the receipt is certain.

Amounts in excess of £10,000 are categorised as capital receipts. Capital receipts are required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the PCC's underlying need to borrow (the capital financing requirement).

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

Depreciation

Depreciation is provided for on all assets with a determinable finite life (except for investment properties and assets held for sale), by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use. Depreciation is calculated on the following bases:

Land	No depreciation
Operational buildings and plant	Straight-line allocation over the life of the property as estimated by the valuer.
Vehicles	Reducing balance method over the expected useful life of the asset. A life of between 3 and 10 years is allocated to vehicles, and depreciation is calculated as 30% per annum following advice from the Fleet Manager.
Equipment	Straight-line allocation over the expected useful life of the asset as advised by a suitably qualified officer. A life of 4 years is allocated to all equipment, unless through consultation with the relevant officer an alternative asset life is deemed more suitable.

In addition to the reducing balance depreciation allocation of vehicles, they are depreciated fully in their year of disposal where there is no capital receipt. Where a significant Property, Plant and Equipment asset (> £1m) has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

k. Intangible Assets

Expenditure on the right to use a computer programme is treated as expenditure for capital purposes. Amortisation is calculated in the same way as equipment depreciation for tangible assets.

l. Charges to Revenue for Non-Current Assets

Depreciation for the year is charged to the Comprehensive Income and Expenditure Statement. The PCC is not required to raise funds to cover depreciation.
Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ('the 2003 Regulations') requires local authorities to 'charge to a revenue account a minimum revenue provision (MRP) for that year'. The minimum revenue provision is an annual amount set aside from the General Fund to meet the cost of capital expenditure that has not been financed from available resources, namely: grants, revenue contributions, earmarked reserves or capital receipts.

MRP is sometimes referred to as the mechanism for setting aside monies to repay external borrowing. In fact, the requirement for MRP set aside applies even if the capital expenditure is being financed from the Constabulary's own cash resources and no new external borrowing or other credit arrangement has been entered into.

For expenditure incurred before 1st April 2021 the PCC has adopted the Capital Financing Requirement (CFR) method for calculating MRP on supported borrowing where 4% of the balance of CFR is used to calculate MRP.

For borrowing since 1st April 2021, the asset life method has been used where MRP has been calculated on a straight-line basis over the useful economic life of the asset.

Depreciation is therefore replaced by a revenue provision in the Movement in Reserves Statement by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

m. Grants and contributions

Grants and contributions, including donated assets, shall not be recognised until there is reasonable assurance that the PCC will comply with the conditions attached to them and that the grants or contributions will be received. Grants and contributions relating to capital and revenue expenditure shall be accounted for on an accruals basis and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the PCC has not satisfied.

- Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, and the expenditure to be financed from that grant or contribution has been incurred at the balance sheet date, the grant or contribution shall be transferred from the General Fund to the Capital Adjustment Account reported through the Movement in Reserves Statement.
- Where no expenditure has been incurred at the balance sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account through the Movement in Reserves Statement.
- Where conditions remain outstanding at the balance sheet date the grant or contribution will be recognised as part of the Capital Grants Receipt in Advance.

n. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and 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 the PCC's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus any accrued interest, and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

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

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income ("FVOCI")

The PCC's business model is to hold investments to collect contractual cashflows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principals and interest i.e. where the cashflows do not take the form of a basic debt instrument.

o. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term interest-bearing investments that are readily convertible on demand to known amounts of cash and which are subject to an insignificant risk of changes in value. Investments maturing within three months of the balance sheet date are deemed to fall under the definition of cash equivalents.

The PCC's Financial Assets are classified as assets that have fixed or determinable payments but are not quoted in an active market. They 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. For the loans that the PCC has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest, and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The PCC recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the PCC.

p. Leases

From 1 April 2024 the Code requires the adoption of IFRS16, with an adjustment to the balance sheet for 2024/25.

For any new contracts entered into on or after 1 April 2024, the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three out of four evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use.
- the Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

<u>Measurement and recognition of leases as a lessee</u>

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or Comprehensive Income and Expenditure Account if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets (below £20k) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the CIES on a straight-line basis over the lease term.

On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

q. Inventory

The main inventories held by the Constabulary are uniforms, cleaning tokens, postage in franking machines, IT equipment, fleet spares and items in the stationery store. With the exception of uniforms, inventory is valued at original purchase price. In respect of uniforms, new inventory is valued at original purchase price and returned inventory that can be re-issued is valued at 50% of the original purchase price.

r. Overheads

The PCC has a policy of not recharging support service overhead costs to front line service providing departments, they are reported separately. However, for the purposes of the preparation of the Comprehensive Income and Expenditure Statement the full cost of support service overheads are included in Policing Services under the Net Cost of Service.

s. Employee Benefits

Pensions

As part of the terms and conditions for its officers and for other employees, the Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make payments that need to be disclosed at the time that employees earn their future entitlement. The Group participates in two separate pension schemes:

1. The Local Government Pension Scheme (LGPS) for police staff employees, administered locally by Gloucestershire County Council. This is a funded defined benefit salary scheme, meaning that the employer and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

2. The Police Pension Scheme for police officers, comprising three separate elements:

    a. Police Pension Scheme (PPS)
    b. New Police Pension Scheme (NPPS)
    c. 2015 CARE scheme (CARE)

    These schemes (PPS, NPPS and CARE) are not viewed as materially different as each scheme provides benefits of a similar nature or character - a defined benefit index linked pension, payable from a retirement date. Each scheme also provides survivor benefits, a death in service benefit, injury pension and payment of an ill-health pension. The differences between the schemes are how the benefits are accrued - the accrual rate with which a member earns benefits, and the salary used to calculate the pension (pension is linked to final salary or career average salary). These differences do not make the schemes materially different in nature or character. Each scheme is also subject to the same risks.

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

The costs of retirement benefits are included in the Net Cost of Service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the council tax precept is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement.

External actuaries are appointed to provide the necessary information, and their assumptions and calculations are detailed in the pensions note (Note 10). Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Police Pension Schemes and the Local Government Pension Scheme have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Estimates for the pension schemes have been based on the latest full valuation of the schemes as at 31st March 2022 for the LGPS and 31st March 2024 for the Police Pension Schemes. The long term expected rate of return on assets is derived by the actuary using their own proprietary stochastic asset model.

Actuarial gains and losses are recognised when changes in the net pension liability arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, and are debited to the Pensions Reserve.

Short term compensated absences

Compensated absences are periods during which an employee does not provide services to the employer, but benefits continue to be paid. Compensated absences may be accumulating e.g. annual leave and flexi-time, or non-accumulating e.g. sick leave and maternity leave. Accumulating absences are those that are carried forward and can be used in future periods if the current period entitlement is not used in full. Short-term (due to be settled within 12 months after the year end of the period in which the employee renders the service) accumulating compensated absences shall be:

- recognised when employees render services that increases their entitlement to future compensated absences.
- measured as the additional amount that the PCC expects to pay as a result of unused entitlement that has accumulated at the Balance Sheet date including associated employer's national insurance and pension contributions.

Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are recognised in the Comprehensive Income and Expenditure Statement when the Constabulary is demonstrably committed to the termination of the employment of an individual or group of employees or making an offer to facilitate voluntary redundancy.

t. Private Finance Initiative (PFI)

The PCC has a long-term contractual agreement under PFI whereby the Contractor was responsible for the design, build, and financing of the project and operates and maintains the headquarters building at Waterwells, Gloucester. The Constabulary took up occupancy of the headquarters in December 2005 and the contract runs for thirty years until 2035.

The PCC has also entered into a long-term agreement in collaboration with the PCC for Avon & Somerset and the PCC for Wiltshire, under PFI for the provision of a tri-force Firearms training facility situated at Portishead, North Somerset called BlackRock.

The Code of Practice requires that these contracts are accounted for in a manner that is consistent with the adaptation of IFRIC 12 – Service concession arrangements. This applies where:

a. the PCC controls or regulates what services the operator must provide with the property, to whom it must provide them and at what price; and where

b. the PCC controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the property at the end of the term of the arrangement.

The Police Headquarters and Firearms training facility PFI contracts meet these criteria and as such are recognised as assets on the balance sheet along with a related liability. The PFI contracts are treated as finance leases in these accounts. The PCC has reviewed all other contracts with a value of more than £100,000 per annum and has concluded that none fall within the scope of IFRIC 12.

The adoption of IFRS16 on 1 April 2024 has resulted in the Group restating the value of the PFI liability – see section w. Transition Arrangements (IFRS16) below.

The PFI transactions in the accounts are detailed in Note 22.

u. Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures. All of the Group's joint arrangements are classified as joint operations. Details of each of these joint operations are provided in Note 21.

v. Events after the Balance Sheet date

The PCC will account for events after the reporting period in accordance with IAS 10 (Events after the Reporting Period), except where interpretations or adaptations to fit the public sector are detailed in the Code of Practice.

Two types of events after the Reporting Period can be identified:
- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events), and
- those that are indicative of conditions that arose after the reporting period (non-adjusting events).

The PCC will adjust the amounts recognised in his financial statements to reflect adjusting events after the reporting period but will not adjust his statements for non-adjusting events. However, for material non-adjusting events the PCC will disclose the nature of the event and provide an estimate of its financial effect.

w. IFRS16

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this Standard has resulted in the Group restating the value of the PFI liability.

On transition to IFRS16 the weighted average incremental borrowing rate applied to PFI lease liabilities recognised under IFRS16 was 9.67%.

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at 1 April 2025:

	Carrying amount at 31 March 2025	Re-measurement	IFRS16 carrying amount as at 1 April 2025
	£'000	£'000	£'000
Lease Liabilities – HQ	11,651.96	15.48	11,667.43

No change has been accounted for in 2025/26 for other lease liabilities as the impact (of circa £0.2m) was deemed to be immaterial to the financial statements.

2. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Group 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 Group Balance Sheet at 31st March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

a. Pension scheme liabilities: 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. A firm of consulting actuaries is engaged to provide the Group with expert advice about the assumptions to be applied. The impact of the McCloud judgement and GMP are included as estimates in the pension schemes. The value of these pension scheme liabilities at 31st March 2026 was £938m (2024/25: £938m). A sensitivity analysis on the assumptions made is detailed in note 10.

b. Pensions Asset Ceiling (LGPS): We have carried out a calculation in perpetuity under IFRIC 14 for the current year based on a discount rate of 6.3%, a salary increase rate of 3.5%, and projected service costs per annum of £4.4m. Any one or all of these factors could change over the next year before the next triennial revaluation. The value of the LGPS pension scheme asset as at 31 March 2026 before any asset ceiling adjustments was £88.47m, after the asset ceiling adjustment the asset value was reduced to £nil (31 March 2025: £nil). See further details in note 10.

c. Property valuation. A full revaluation of property is undertaken at least every five years. The last full revaluation was undertaken as at 31st March 2025. A 10% change in the value of operational land would result in a £1.4m increase/decrease in the value of property, plant and equipment. A 10% change in the value of buildings and plant would result in a £4.6m increase/decrease in the value of property, plant and equipment.

3. Accounting Standards that have been issued but have not yet been adopted

The following standards have been issued but have not yet been adopted:

- Amendments to FRS 102 The Financial Reporting Standard (Amendments to Heritage assets)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

4. Critical Judgements in applying accounting policies

In applying the accounting policies set out earlier in this document, the Group 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:

- A judgement has been made of the expenditure allocated between the PCC and the Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The Chief Constable is judged to incur all expenditure in the Net Cost of Service (£158.8m (2024/25: £159.1m)) apart from that generated directly by the Office of the Police and Crime Commissioner (£5.1m (2024/25: £5.6m)). All income is judged to be received by the PCC. The basis adopted for this allocation was determined by the Group in accordance with the standard set of activities for each corporate body identified in CIPFA's SeRCOP.

5. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the PCC in comparison with those resources consumed or earned by the PCC in accordance with generally accepted accounting practices. Income and expenditure is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding analysis

2024/25

	Net expenditure chargeable to the General Fund £000s	Adjustments between the Funding and Accounting basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s
Policing Services	153,251	(24,615)	128,637
Net Cost of Service	**153,251**	**(24,615)**	**128,637**
Other (Income) and Expenditure	(148,997)	44,140	(104,857)
Surplus or deficit	**4,254**	**19,526**	**23,780**
Opening General Fund balance	**25,239**		
Surplus/(deficit) on general fund balance in year	(4,254)		
Closing General Fund balance at 31 March	**20,985**		

2025/26

	Net expenditure chargeable to the General Fund £000s	Adjustments between the Funding and Accounting basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s
Police Services	159,966	(35,660)	124,306
Net Cost of Services	**159,966**	**(35,660)**	**124,306**
Other (Income) and Expenditure	(159,397)	45,646	(113,751)
Surplus or deficit	**569**	**9,986**	**10,555**
Opening General Fund balance	**20,985**		
Surplus/(deficit) on general fund balance in year	(569)		
Closing General Fund balance at 31 March	**20,415**		

A more detailed analysis of these adjustments follows:

Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting basis 2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for Capital purposes (Note a) £'000	Net change for the pensions adjustments (Note b) £'000	Other differences (Note c) £'000	Total adjustments £'000
Policing services	5,592	(41,085)	(167)	(35,660)
Net Cost of Service	**5,592**	**(41,085)**	**(167)**	**(35,660)**
Other income and expenditure from the Expenditure and Funding Analysis	(3,156)	48,856	(55)	45,646
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services	**2,436**	**7,771**	**(222)**	**9,986**

Adjustments between Funding and Accounting basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for Capital purposes (Note a) £'000	Net change for the pensions adjustments (Note b) £'000	Other differences (Note c) £'000	Total adjustments £'000
Policing services	6,292	(32,056)	1,149	(24,615)
Net Cost of Service	**6,292**	**(32,056)**	**1,149**	**(24,615)**
Other income and expenditure from the Expenditure and Funding Analysis	(5,139)	49,359	(81)	44,140
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services	**1,154**	**17,303**	**1,069**	**19,525**

Note a – Adjustments for Capital purposes
This column adds in depreciation and revaluation gains and losses in the net cost of service line and adjusts for capital disposals, the statutory charges for capital financing and capital grants in the other income and expenditure line

Note b – Net changes for the pensions adjustments
This column represents the removal of employer pension contributions as allowed by statute and the replacement with current service and past service costs on the net cost of services line. The net interest on the defined benefit liability charged to the Comprehensive Income and Expenditure Statement is included in the other income and expenditure line.

Note c – Other differences
This column represents an adjustment for compensated absences in the net cost of services line and for the difference between what is chargeable under statutory regulations for council tax that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

6. Expenditure and Income analysed by nature

The Group's expenditure and income is analysed as follows:

Expenditure and Income analysed by nature

	2024/25 £'000	2025/26 £'000
Expenditure		
Employee benefits expenses	113,791	111,762
Other service expenses	39,023	41,396
Depreciation, amortisation, impairment	5,450	5,528
Interest payments	2,521	2,902
Net Interest on the net defined benefit liability	49,359	48,856
Police Pension fund	21,647	21,933
Loss on revaluation & disposal of assets	842	64
Total Expenditure	**232,633**	**232,440**
Income		
Fees, charges and other service income	(12,754)	(15,340)
Investment Interest income	(1,433)	(1,110)
Gain on revaluation & disposal of assets	(33)	(263)
Precepts	(75,075)	(80,272)
Government grants & contributions	(101,843)	(105,797)
Other specific grants	(17,715)	(19,104)
Total Income	**(208,853)**	**(221,885)**
Deficit on the provision of services	**23,780**	**10,555**

STATEMENT OF ACCOUNTS 2025/26

7. Subjective analysis of spending

2024/25					2025/26		
CC £000	PCC £000	GROUP £000		Note Number	CC £000	PCC £000	GROUP £000
72,839	-	72,839	Police pay and allowances		79,498	-	79,498
47,595	2,440	50,035	Staff pay and allowances		47,335	2,180	49,514
3,716	-	3,716	Other employee expenses		2,483	-	2,483
19,257	-	19,257	Police pensions		21,352	-	21,352
(32,056)	-	(32,056)	IAS19 Pension costs		(41,085)	-	(41,085)
9,056	1	9,057	Premises		8,491	3	8,494
2,670	15	2,685	Transport		2,633	11	2,644
22,424	34	22,458	Supplies and services		25,467	34	25,501
1,667	3,156	4,822	Agency and contracted services		1,988	2,770	4,757
5,450	-	5,450	Depreciation		5,528	0	5,528
-	842	842	Revaluation losses		-	64	64
152,618	**6,488**	**159,106**	**Gross Operating Expenditure**		**153,689**	**5,061**	**158,750**
			Income				
-	(17,715)	(17,715)	Specific grants	11	-	(19,104)	(19,104)
-	(12,754)	(12,754)	Income from fees and charges	12	-	(15,340)	(15,340)
-	-	-	Revaluation gains		-	-	-
(152,618)	152,618	-	Intra group adjustment		(153,689)	153,689	-
0	**128,637**	**128,637**	**Net Cost of Service**		**0**	**124,306**	**124,306**
		2,521	Interest paid	13			2,902
		(189)	Gain on revaluation of assets				(470)
		(33)	Gain/loss on disposal of assets				(263)
		(1,433)	Interest and investment income				(1,110)
		49,359	Net interest on the net defined benefit liability and expected return on pension assets				48,856
		178,862	**Net operating expenditure**				**174,221**
		(5,102)	Transfers to/(from) earmarked and general reserves				(402)
		1,597	Revenue contributions to capital				-
		(2,863)	Transfer to/(from) capital adjustment account/ revaluation reserve	14			(1,967)
		21,647	Contribution to Pension Fund Account in respect of deficit				21,933
		(17,303)	Contribution from IAS19 pensions reserve				(7,771)
		176,837	**Net expenditure to be met from Grants & Taxation**				**186,014**
		(894)	Recognised capital grants & contributions				-
		(45,406)	Police Revenue Grant				(47,106)
		(3,841)	Pensions Legacy Grant				(5,814)
		(21,647)	Police Pension Fund Top-Up Grant				(21,933)
		(23,973)	Allocation of ex-DCLG formula funding				(24,862)
		(6,082)	Council tax support grant				(6,082)
		(74,994)	Precepts	15			(80,218)
		0	**TOTAL**				**0**

The subjective analysis in the table above has been split between the PCC and Chief Constable to separately identify the financial resources of the PCC consumed at the request of the Chief Constable for the years ended 31 March 2025 and 2026 from those costs exclusively incurred by the PCC.

STATEMENT OF ACCOUNTS 2025/26

8. Analysis of Usable Reserves

2025/26	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000
Balance at 31 March 2025	20,984	4,560	405	401	**26,350**
Movement in reserves during 2025/26					
Total Comprehensive Income and Expenditure	(10,555)	-	-	-	**(10,555)**
Adjustments between accounting basis & funding basis under statutory provisions					
Depreciation/amortisation	5,528	-	-	-	**5,528**
Impairment/revaluation losses/ (gains) (charged to I&E)	64	-	-	-	**64**
Capital grant and contributions	0	-	-	-	**0**
Sale of non current assets	(263)	263	-	-	**(0)**
Net retirement benefits per IAS19 (Note 7)	7,771	-	-	-	**7,771**
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	(55)	-	-	-	**(55)**
Statutory Provision for the repayment of debt - (Minimum revenue provision)	(2,892)	-	-	-	**(2,892)**
Revenue contribution to finance capital	-	-	-	-	**0**
Use of capital receipts reserve to finance capital expenditure	-	(2,034)	-	-	**(2,034)**
Compensated absences	(167)	-	-	-	**(167)**
Total adjustments between accounting basis & funding basis under statutory provisions	9,986	(1,772)	-	-	**8,215**
Increase/(Decrease) in Year	(569)	(1,772)	-	-	**(2,341)**
Balance at 31 March 2026	20,415	2,788	405	401	24,009

STATEMENT OF ACCOUNTS 2025/26

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000
Balance at 31 March 2024	25,239	4,460	405	399	**30,503**
Movement in reserves during 2024/25					
Total Comprehensive Income and Expenditure	(23,780)	-	-	-	**(23,780)**
Adjustments between accounting basis & funding basis under statutory provisions					
Depreciation/amortisation	5,450	-	-	-	**5,450**
Impairment/revaluation losses/ (gains) (charged to I&E)	842	-	-	-	**842**
Capital grant and contributions	(894)	-	-	2	**(892)**
Sale of non current assets	(33)	133	-	-	**100**
Net retirement benefits per IAS19 (Note 8)	17,303	-	-	-	**17,303**
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	(81)	-	-	-	**(81)**
Statutory Provision for the repayment of debt - (Minimum revenue provision)	(2,312)	-	-	-	**(2,312)**
Revenue contribution to finance capital	(1,900)	-	-	-	**(1,900)**
Use of capital receipts reserve to finance capital expenditure	-	(33)	-	-	**(33)**
Compensated absences	1,149	-	-	-	**1,149**
Total adjustments between accounting basis & funding basis under statutory provisions	19,525	100	-	2	**19,627**
Increase/(Decrease) in Year	(4,255)	100	-	2	**(4,153)**
Balance at 31 March 2025	20,984	4,560	405	401	**26,350**

The general fund balance is further analysed below:

Reserve	Balance at 31 March 2024 £'000	Net movement 2024/25 £'000	Balance at 31 March 2025 £'000	Net movement 2025/26 £'000	Balance at 31 March 2026 £'000
General	5,835	200	6,035	302	6,336
Vehicle	227	(126)	101	-	101
Estates	192	(192)	-	-	-
Specific Earmarked	4,431	(1,548)	2,882	178	3,060
ICT	3,708	(2,708)	1,000	-	1,000
Insurance	1,135	-	1,135	57	1,192
ESN	3,267	(2,067)	1,200	-	1,200
Covid	1,072	(1,072)	-	-	-
Smoothing	2,276	(2,276)	-	-	-
Inflation	2,841	2,346	5,188	(409)	4,779
Pay & Pensions	254	3,189	3,443	(696)	2,747
TOTAL	**25,239**	**(4,255)**	**20,984**	**(569)**	**20,415**

STATEMENT OF ACCOUNTS 2025/26

Details of each of the reserves are listed follow:

a) **General fund reserve**.
The balance on the General Reserve as at 31st March 2026 is £6.336m which represents 3.7% of net revenue expenditure.

b) **Vehicle reserve**
Due to the different replacement plans for vehicles planned expenditure on vehicles varies significantly year on year. This reserve evens out these variations.

c) **Specific Earmarked Reserve**
Specific earmarked reserves represent funds set aside to meet expected or planned revenue expenditure in future years.

d) **ICT Reserve**
This reserve was set up to cover expenditure arising from the ICT strategy.

e) **Insurance Reserve**
Based on an actuarial valuation of future liabilities.

f) **National Projects Reserve**
This reserve was created to fund the costs of the new Emergency Services Network (ESN) – a next generation critical communications system used by emergency services.

g) **Smoothing Reserve**
This reserve was set aside to balance the 2024/25 budget. The balance on this reserve has been transferred to the inflation reserve.

h) **Inflation Reserve**
This reserve was created to assist with the management and mitigation of the risk of unbudgeted inflationary pressures facing the Constabulary and OPCC.

i) **Pay & Pensions Reserve**
This reserve was created to assist with the management and mitigation of the impact of pay awards being above budgeted level and short-term pay variations.

9. Analysis of Unusable Reserves

2025/26	Revaluation Reserve £000	Pensions Reserve £000	Capital Adjustment Account £000	Collection Fund Adjustment Account £000	Short term Compensated Absences £000	Total Unusable Reserves £000
Balance at 31 March 2025	13,068	(937,700)	13,177	843	(4,168)	**(914,781)**
Movement in reserves during 2025/26						
Total Comprehensive Income and Expenditure	470	7,445	-	-	-	**7,915**
Adjustments between accounting basis & funding basis under regulations						
Depreciation/amortisation	(233)	-	(5,296)	-	-	**(5,528)**
Impairment/revaluation losses (charged to I&E)	-	-	(64)	-	-	**(64)**
Capital grant and contributions	-	-	-	-	-	**0**
Sale of non current assets	-	-	0	-	-	**0**
Net retirement benefits per IAS19	-	(7,771)	-	-	-	**(7,771)**
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	-	-	-	55	-	**55**
Statutory Provision for the repayment of debt - (Minimum revenue provision)	-	-	2,892	-	-	**2,892**
Revenue contribution to finance capital	-	-	0	-	-	**0**
Use of capital receipts reserve to finance capital expenditure	-	-	2,034	-	-	**2,034**
Compensated absences	-	-	-	-	167	**167**
Total adjustments between accounting basis & funding basis under regulations	(233)	(7,771)	(433)	55	167	**(8,215)**
Increase/(Decrease) in Year	237	(326)	(433)	55	167	**(300)**
Balance at 31 March 2026	13,305	(938,026)	12,744	898	(4,001)	**(915,080)**

STATEMENT OF ACCOUNTS 2025/26

2024/25	**Revaluation Reserve £000**	**Pensions Reserve £000**	**Capital Adjustment Account £000**	**Collection Fund Adjustment Account £000**	**Short term Compensated Absences £000**	**Total Unusable Reserves £000**
Balance at 31 March 2024	13,110	(1,071,900)	14,200	762	(3,018)	**(1,046,846)**
Movement in reserves during 2024/25						
Total Comprehensive Income and Expenditure	189	151,503	-	-	-	**151,692**
Adjustments between accounting basis & funding basis under regulations						
Depreciation/amortisation	(231)	-	(5,219)	-	-	**(5,450)**
Impairment/revaluation losses (charged to I&E)	-	-	(842)	-	-	**(842)**
Capital grant and contributions	-	-	892	-	-	**892**
Sale of non current assets	-	-	(100)	-	-	**(100)**
Net retirement benefits per IAS19	-	(17,303)	-	-	-	**(17,303)**
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	-	-	-	81	-	**81**
Statutory Provision for the repayment of debt - (Minimum revenue provision)	-	-	2,312	-	-	**2,312**
Revenue contribution to finance capital	-	-	1,900	-	-	**1,900**
Use of capital receipts reserve to finance capital expenditure	-	-	33	-	-	**33**
Compensated absences	-	-	-	-	(1,149)	**(1,149)**
Total adjustments between accounting basis & funding basis under regulations	(231)	(17,303)	(1,024)	81	(1,149)	**(19,626)**
Increase/(Decrease) in Year	(42)	134,200	(1,024)	81	(1,149)	**132,066**
Balance at 31 March 2025	13,068	(937,700)	13,177	843	(4,168)	**(914,781)**

10. Pension costs

As part of the terms and conditions of employment of its officers and staff, the Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Group participates in two separate pension schemes:

1. The Local Government Pension Scheme (LGPS) for police staff, administered locally by Gloucestershire County Council. This is a funded defined benefit salary scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The defined benefit is based on a combination of final and average salary dependent on when the participant joined the scheme. The scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Gloucestershire County Council. Policy is determined in accordance with the Pension Fund Regulations.

The investment managers of the fund are appointed by the committee and consist of:

- Arcmont Asset Management Ltd.
- Blackrock Investment Management (UK) Ltd.
- Brunel Pension Partnership Ltd.
- Golub Capital Partners International LP
- Gresham House Specialist Investment
- Octopus Investments
- Resonance Impact Investment Ltd.
- Schroders Greencoat Wessex Gardens LP
- Technology Venture Partners LLP

2. The Police Pension Scheme, comprising three elements: Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and the CARE scheme for police officers. These are unfunded defined benefit final salary schemes, administered by the Group, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year are less than the amounts receivable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group, which must then repay the amount to central government. The scheme is operated under the regulatory framework for the Police Pension Schemes and the governance of the scheme is the responsibility of the Chief Constable, who is the Scheme Manager for the Force. From April 2015 the Scheme Manager is assisted by a Pensions Board. There are no investment assets, so investment managers have not been appointed.

The principal risks to the Group of the pension schemes are:

- The longevity assumptions,
- Statutory changes to the schemes,
- Structural changes to the schemes (i.e. large scale withdrawals from the scheme),
- Changes to inflation,
- Bond yields and the performance of the equity investments held by the LGPS.

These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

McCloud / Sargeant

Background

On 16 July 2020 HM Treasury published their Public service pension schemes consultation: changes to the transitional arrangements to the 2015 Schemes, which contained the proposed remedy regarding the McCloud/Sargeant.

On 4 Feb 2021 HM Treasury published their response to the consultation. This response confirmed: that the legacy schemes would be closed from 31 March 2022; a remedy would be introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy.

On 19 July 2021 the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022. HMT directions to accompany the act were published on 14th December 2022. The Act closed the legacy schemes from 31 March 2022 and brought the retrospective remedy into force from 1 October 2023.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.

The main elements of the Act are:

- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the "remedy period" of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

Impact on pension liability
Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For Gloucestershire Constabulary, this affects 1,179 members. Scheme actuaries originally estimated the increase in scheme liabilities for Gloucestershire Constabulary to be £63.2m of pension scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates.
The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Compensation Claims

In addition to the remedy, claimants have lodged claims for compensation for injury to feelings.

Claims are separated into two litigation cases; Aarons claims brought by Leigh Day representing individual officers in a group claim. Roderick and Slade, claims bought by Penningtons on behalf of the Police Federation. These claims were brought after the finding of discrimination by the Court of Appeal in McCloud and Sargeant.

Aarons

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 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.

Penningtons

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.

Transactions relating to post-employment benefits

The costs of retirement benefits are included in the Net Cost of Service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the council tax precept is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

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

	2024/25 £000	2025/26 £000
Local Government Pension Scheme (LGPS)		
Comprehensive Income and Expenditure Statement		
Net cost of services		
Current service cost	6,931	4,747
Past service costs (including curtailments)	0	366
Amount charged against the General Fund Balance for pensions in the year: Employers' contributions payable to the scheme	(7,287)	(7,198)
Financing and investment income and expenditure		
Net interest on the net defined benefit liability	8,944	9,328
Expected return on assets in the scheme	(10,785)	(13,772)
Remeasurement of the net defined benefit liability		
Actuarial (gains) / losses arising on changes in demographic assumptions	(320)	(3,855)
Actuarial (gains) / losses arising on changes in financial assumptions	(34,358)	(7,873)
Other experience (gains) / losses	(1,762)	15,255
IFRIC 14 Asset Ceiling	37,765	13,906
Return on plan assets (excluding the amount included in the net interest expense)	872	(9,878)
Net charge to the Comprehensive Income & Expenditure Statement	0	1,026
Movement in Reserves Statement		
Reversal of net charges made for retirement benefits in accordance with IAS19	0	(1,026)

	2024/25 £000	2025/26 £000
<u>Police Pension Schemes (PPS, NPPS & CARE)</u>		
Comprehensive Income and Expenditure Statement		
Net cost of services		
Current service cost	11,200	7,700
Past service costs (including curtailments)	200	100
Amount charged against the General Fund Balance for pensions in the year: Retirement benefits payable to pensioners	(43,100)	(46,800)
Financing and investment income and expenditure		
Net interest on the net defined benefit liability	51,200	53,300
Remeasurement of the net defined benefit liability		
Actuarial (gains) / losses arising on changes in demographic assumptions	(13,200)	6,900
Actuarial (gains) / losses arising on changes in financial assumptions	(154,400)	(29,700)
Expected pension increase order	(7,200)	7,800
Other experience (gains) / losses	21,100	0
Net charge to the Comprehensive Income & Expenditure Statement	(134,200)	(700)
Movement in Reserves Statement		
Reversal of net charges made for retirement benefits in accordance with IAS19	134,200	700

An intra-group adjustment transfers these costs from the Chief Constable accounts to those of the PCC.

Assets and liabilities in relation to retirement benefits
Reconciliation of present value of the scheme liabilities:

	LGPS 2024/25 £000	2025/26 £000	Police Pension Schemes 2024/25 £000	2025/26 £000
As at 1st April	(219,964)	(235,071)	(1,071,900)	(937,700)
Current service cost	(6,931)	(4,747)	(11,200)	(7,700)
Net interest on the net defined benefit liability	(8,944)	(9,328)	(51,200)	(53,300)
Contributions by scheme participants	(2,435)	(2,363)	(7,300)	(7,800)
Transfers (in)out	0	0	100	100
Remeasurement of the net defined benefit liability				
- Actuarial (gains)/losses arising from changes in demographic assumptions	320	3,855	13,200	(6,900)
- Actuarial (gains)/losses arising from changes in financial assumptions	34,358	7,873	154,400	29,700
- Expected pension increase order	0	(1,471)	7,200	(7,800)
- Other experience	1,762	(11,138)	(21,100)	0
IFRIC 14 Asset Ceiling	(37,765)	(13,906)	0	0
Benefits paid	4,528	4,741	50,300	54,500
Past service cost (including curtailments)	0	(366)	(200)	(100)
As at 31st March	(235,071)	(261,921)	(937,700)	(937,000)

Reconciliation of fair value of the scheme assets:

	LGPS 2024/25 £000	2025/26 £000
As at 1st April	219,964	235,071
Expected rate of return	10,785	13,772
Remeasurement of the net defined benefit liability		
- Return on assets	(872)	9,878
- Other experience	0	(2,646)
Employers contributions	7,287	7,198
Contributions by scheme participants	2,435	2,363
Benefits paid	(4,528)	(4,741)
As at 31st March	235,071	260,895

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Scheme History

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Present value of liabilities						
- LGPS	(258,946)	(255,389)	(177,160)	(182,142)	(197,306)	(248,015)
- IFRIC14 Asset Ceiling	0	0	0	(37,822)	(37,765)	(13,906)
	(258,946)	(255,389)	(177,160)	(219,964)	(235,071)	(261,921)
- Police Pension Schemes	(1,657,400)	(1,574,200)	(1,083,300)	(1,071,900)	(937,700)	(937,000)
- Total	(1,916,346)	(1,829,589)	(1,260,460)	(1,291,864)	(1,172,771)	(1,198,921)
Fair value of assets in LGPS	176,993	193,889	193,711	219,964	235,071	260,895
Surplus/(deficit) in the scheme						
- LGPS	(81,953)	(61,500)	16,551	0	0	(1,026)
- Police Pension Schemes	(1,657,400)	(1,574,200)	(1,083,300)	(1,071,900)	(937,700)	(937,000)
- Total	(1,739,353)	(1,635,700)	(1,066,749)	(1,071,900)	(937,700)	(938,026)

The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.50% increase in the discount rate used by the Constabulary's actuary to calculate pension fund assets and liabilities. This increased the overall LGPS pension results, before any asset ceiling adjustment, from a net surplus of £37.765m in 2024/25 to a net surplus of £12.880m in 2025/26.
The surplus position on funded liabilities is £13.906m before the asset ceiling adjustment, and a deficit of £938.026m on unfunded liabilities in 2025/26.

Under IFRIC 14 a defined benefit liability is calculated as the net total of the present value of the defined benefit obligation minus the fair value at the end of the reporting date of the plan assets. If the fair value of the plan assets exceeds the calculated obligations (an "asset"), IAS 19 contains a restriction over the amount of the asset that can be recognised. In effect it requires a calculation of the 'Asset Ceiling', this being based on the future, current and past service costs less expected contributions. The Constabulary has commissioned the actuary to carry out this calculation and the result for 2025/26 is a restriction on the Surplus recognised, thus the net surplus on the LGPS scheme of £88.467m before the asset ceiling adjustment was reduced to £nil (£nil balance in 2024/25).

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19. The liabilities show the underlying commitments that the Group has to pay retirement benefits. The present value of the Defined Benefit Obligation and projected pension expense have increased as at 31st March 2026 due to:

- Change in financial assumptions – The net discount rate (discount rate net of CPI inflation) has increased compared to last year and places a lower value on the obligations. Note both the discount rate and CPI inflation expectations have increased compared to last year but the discount rate has gone up to a greater extent

The total liability of £0.938 billion has a substantial impact on the net worth of the Group as recorded in the Balance Sheet, resulting in a negative overall balance of £0.891billion. However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

The total contributions expected to be made to the LGPS by the Group in the year to 31st March 2027 is £5.639m and the projected current service cost is £4.410m. The projected current service costs for the Police Pension Schemes for 2026/27 are £6.8m. The current service cost represents the increase in the benefits earned by the employees in the current period based on their pay and length of service.

Lump sum commutation payments are based on the position at 28th February 2026 i.e. eleven months of actual data.

Basis for estimating assets and liabilities
Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Police Pension Schemes and the Local Government Pension Scheme have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Estimates for the Local Government Pension Scheme have been based on the latest full valuation of the scheme as at 31st March 2025. Estimates for the Police Pension schemes are based on the latest full valuation of the scheme as at 31st March 2024. The principal assumptions used by the Actuary have been:

	LGPS		**Police Pension Schemes**	
	2024/25	**2025/26**	**2024/25**	**2025/26**
Long term expected rate of return on assets in the scheme:				
Equity investments	5.80%	6.30%	-	-
Bonds	5.80%	6.30%	-	-
Property	5.80%	6.30%	-	-
Cash	5.80%	6.30%	-	-
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
Male	21.3	21.8	21.3	21.8
Female	24.0	24.5	24.2	24.4
Longevity at 65 for future pensioners:				
Male	21.8	22.5	23.1	23.8
Female	25.6	26.0	25.5	26.4
Rate of inflation	2.75%	3%	3.15%	3.30%
Rate of increase in salaries	3.25%	3.50%	3.15%	3.30%
Rate of increase in pensions	2.75%	3%	2.80%	3%
Expected return on assets	5.80%	6.30%	-	-
Rate for discounting scheme liabilities	5.80%	6.30%	5.80%	6.20%
Take-up of option to convert annual pension into retirement lump sum	50% all schemes	65% all schemes	90% all schemes	90% all schemes

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below, prepared by the actuary (Hymans Robertson LLP), have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The 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.

LGPS

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in financial assumptions at year ended 31st March 2026	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	3,067
1 year increase in member life expectancy	4%	6,897
0.1% increase in the Salary Increase Rate	0%	137
0.1% increase in the Pension Increase Rate (CPI)	2%	2,931

Change in financial assumptions at year ended 31st March 2025	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	3,313
1 year increase in member life expectancy	4%	6,379
0.1% increase in the Salary Increase Rate	0%	139
0.1% increase in the Pension Increase Rate (CPI)	2%	3,267

Police Pension Schemes

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in financial assumptions at year ended 31st March 2026	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	9%	82,280
1 year increase in member life expectancy	3%	28,110
0.5% increase in the Salary Increase Rate	<1%	2,320
0.5% increase in the Pension Increase Rate (CPI)	7%	66,780

Change in financial assumptions at year ended 31st March 2025	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	9%	81,410
1 year increase in member life expectancy	3%	28,130
0.5% increase in the Salary Increase Rate	<1%	2,600
0.5% increase in the Pension Increase Rate (CPI)	7%	66,570

Local Government Pension Scheme Assets

The Police Pension Schemes have no assets to cover their liabilities.

The Local Government Pension Scheme's assets consist of the following categories:

	Fair value of scheme assets at 31 March 2025			Fair value of scheme assets at 31 March 2026		
Asset Category	**Quoted prices in active markets (£000)**	**Quoted prices not in active markets (£000)**	**Total (£000)**	**Quoted prices in active markets (£000)**	**Quoted prices not in active markets (£000)**	**Total (£000)**
Cash & cash equivalents	**3,092**	**-**	**3,092**	**5,732**	**-**	**5,732**
Property						
UK	7,817	6,413	14,230	3,537	12,921.8	16,459
Overseas	-	4,376	4,376	-	4,213	4,213
Total Property	**7,817**	**10,789**	**18,606**	**3,537**	**17,134.8**	**20,672**
Private equity	**-**	**6,731**	**6,731**	**-**	**7,464**	**7,464**
Investment funds and Unit trusts						
Equities	-	143,009	143,009	-	158,545	158,545
Bonds	16,921	23,754	40,675	18,269	25,666	43,935
Other	-	22,785	22,785	-	23,407	23,407
Total Investment funds and Unit trusts	**16,921**	**189,548**	**206,469**	**18,269**	**207,618**	**225,887**
Derivatives						
Foreign exchange	**174**	**-**	**174**	**1,141**	**-**	**1,141**
TOTAL ASSETS	**28,004**	**207,067**	**235,071**	**28,679**	**232,216**	**260,895**

None of the property assets included in the scheme are occupied by the Police and Crime Commissioner for Gloucestershire. The LGPS year-end asset values are at bid value as required under IAS19.

Impact on the Group's cash Flows

The objectives of the schemes are to keep employers' contributions at as constant a rate as possible. With regards the LGPS the County Council has agreed a strategy with the scheme's actuary to use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency. Funding levels are monitored on an annual basis. The latest triennial valuation for the LGPS was completed on 31st March 2025 and for the Police Pension schemes on 31st March 2024.The LGPS scheme was amended from 1st April 2014 to become a career average scheme for benefits built up from that date. The Police pension scheme reforms came into place from 1st April 2015.

The weighted average durations of the defined benefit obligation for scheme members are detailed below:

	Weighted average duration as at 31st March 2025 (years)	Weighted average duration as at 31st March 2026 (years)
LGPS	21	18
Police pension schemes	16.4	16.6

11. Specific Grants

	2024/25 £000	2025/26 £000
Security Grant – Home Office	4,888	4,701
Private Finance Initiative (PFI) – Home Office	2,770	2,770
Uplift Grant	4,734	4,734
Pay Award Support Grant	1,250	1,250
Neighbourhood Policing Grant	0	1,527
Pensions Remedy Grant	0	852
Other grants	4,074	3,270
	17,715	**19,104**

12 Revenue from contracts with service recipients

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients.

	2024/25 £000	2025/26 £000
Road safety	4,702	6,581
SW Regional Organised Crime Unit (ROCU)	1,527	1,360
GCHQ	985	1,074
Special Services	999	1,011
Specialist Operations	670	823
Miscellaneous	905	606
Crime Records Bureau	505	558
Vehicle Recovery	517	530
Seconded officers	354	480
Mutual Aid	192	468
Tri Service Recharge	390	349
Firearms Certificates	140	299
Prosecution costs	202	230
Sales Income	201	151
Training courses	130	139
Abstraction Reports	91	139
Hypothecation – Proceeds of Crime Act (POCA)	85	131
Vehicle Damage	0	110
Rents	72	109
Part funded officers/ staff	88	93
Court orders	0	74
Offender Management	0	24
TOTAL	**12,754**	**15,340**

Amounts included in the balance sheet for contracts with service recipients.

	2024/25 £000	2025/26 £000
Receivables included in debtors (note 27)	2,329	2,585
TOTAL	**2,329**	**2,585**

Income received in advance of the fulfilment of our obligation totalled £0.310m at 31st March 2026 (£0.435m at 31st March 2025). These amounts are not included in the figures above.

The Group received £11k of goods and services from sponsors and donors during the year (2024/25: £5k).

13. Interest payable and similar charges

	2024/25 £000	2025/26 £000
PFI interest	1,480	1,415
Interest on loans	1,041	1,487
TOTAL	**2,521**	**2,902**

14. Transfers to/from capital adjustment account & revaluation reserve

The Group is required by statute to set aside a minimum revenue provision (MRP) for the redemption of external debt. For 2025/26 the amount is £2.892m.

	2024/25 £000	2025/26 £000
Provision for depreciation	5,450	5,528
Provision for (gain)/ loss on revaluation and disposal of assets	620	(670)
Capital grant	(894)	-
Less: Minimum Revenue Provision (MRP)	(2,312)	(2,892)
Transfer to/from Capital Adjustment Account & Revaluation Reserve	2,863	1,966

15. Precepts

The difference between the budget and the funding provided by the Government is met from local taxpayers via the Council Tax. The amount required from the local taxpayers is "precepted" by the PCC on the District Councils in Gloucestershire who include this in their Council Tax levies. For 2025/26 the PCC's budget gave rise to a Council Tax (police element) at Band D of £322.08 per dwelling (compared with £308.08 per dwelling in 2024/25).

The Council Tax income included in the Comprehensive Income and Expenditure Statement for the year is the accrued income for the year. Note 7 represents the amount paid from the Collection Fund and does not include any accruals.

16. Members' allowances

	2024/25 £000	2025/26 £000
Allowances & expenses paid to JIAC members	14	18
Number of members	4	3

The members are appointed by the PCC and Chief Constable to form a Joint Independent Audit Committee (JIAC) to advise the PCC and Chief Constable. The Audit Committee do not have any decision-making powers. The allowance scheme is based on the hours worked by each of the Members.

17. Exit packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other departures are set out below. These costs include the accrued cost of pension strain incurred through the exit of the employees.

2025/26

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages £000
1 – 19,999	3	6	9	62
20,000 –39,999	3	1	4	123
40,000 – 59,999	2	0	2	98
60,000 – 79,999	1	0	1	75
80,000 – 99,999	1	0	1	84
100,000 – 149,999	2	0	2	253
150,000 – 199,999	1	0	1	156
	13	**7**	**20**	**851**

In 2025/26, the Force undertook a comprehensive staffing review to determine a more affordable and effective organisational structure. As part of the review, a number of posts were deleted, but 13 staff were made redundant and the force agreed a mutually agreed resignation (MARS) with one person. In addition, six other exit packages were agreed. The total cost of redundancies was £802k at an average cost of £61.7k. The average cost of the 20 exit packages was £42.5k (2024/25: £8.8k).

2024/25 Re - presented

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages £000
1 – 19,999	1	47	48	372
20,000 –39,999	0	2	2	70
	1	**49**	**50**	**442**

2024/25

Exit package cost band (£)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages £000
1 – 4,999	0	13	13	43
5,000 –9,999	1	9	10	67
10,000 – 19,999	0	25	25	262
20,000 – 39,999	0	2	2	70
	1	**49**	**50**	**442**

In 2024/25, Gloucestershire Constabulary introduced a Mutually Agreed Resignation Scheme (MARS) as part of its ongoing efforts to reduce costs and achieve a balanced budget. This scheme allowed police staff members, including PCSOs, to voluntarily resign from the organisation in exchange for a lump-sum payment of up to £10,000 (pro rata for part-time staff).
The scheme was not available to police officers.
As a result of MARS, 40 staff members left the force in 2024/25, at a total cost of £350k.

18. Remuneration of Senior Staff

The Group is required, under the Accounts and Audit (England) Regulations 2014, to report the numbers of staff with pay and benefits in excess of £50,000 in multiples of £5,000. This includes the remuneration of senior employees and relevant police officers which are also disclosed individually.

	Number of Employees	
Remuneration band	**2024/25**	**2025/26**
£50,000 - £54,999	228	261
£55,000 - £59,999	143	196
£60,000 - £64,999	105	83
£65,000 - £69,999	66	67
£70,000 - £74,999	13	34
£75,000 - £79,999	14	6
£80,000 - £84,999	7	6
£85,000 - £89,999	6	6
£90,000 - £94,999	3	6
£95,000 - £99,999	2	4
£100,000 - £104,999	2	3
£105,000 - £109,999	1	0
£110,000 - £114,999	2	1
£115,000 - £119,999	0	1
£120,000 - £124,999	2	1
£125,000 - £129,999	0	0
£130,000 - £134,999	1	2
£135,000 - £139,999	1	1
£140,000 - £144,999	1	0
£145,000 - £149,999	0	1
£150,000 - £154,999	0	1
£155,000 - £159,999	0	0
£160,000 - £164,999	0	0
£165,000 - £169,999	0	0
£170,000 - £174,999	1	0
£175,000 - £179,999	0	0
£180,000 - £184,999	0	1
£185,000 - £189,999	0	1
	598	**682**

STATEMENT OF ACCOUNTS 2025/26

The Group is required, under the Accounts and Audit (England) Regulations 2014, to disclose individual remuneration details for senior employees and relevant police officers. Details for 2024/25 and 2025/26 are as follows:

2025/26 Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Expenses/ Other Payments £	Total Remuneration excluding pension contributions 2025/26 £	Employers pension contributions £	Total Remuneration including pension contributions 2025/26 £
R Hansen **Chief Constable (see Note 1)**	184,433	0	780	0	18,523	0	**203,736**	65,105	**268,841**
M Blyth **Temporary Chief Constable**	184,433	0	0	0	0	0	**184,433**	0	**184,433**
K Barrow-Grint **Deputy Chief Constable** **from 01/04/2025**	152,355	0	780	0	0	0	**153,135**	53,781	**206,916**
ACC - Crime, Justice and Vulnerability	138,844	0	761	0	492	0	**140,097**	49,012	**189,109**
ACC - Operations and Local Policing (see Note 2)	133,877	0	5,500	0	5,459	0	**144,837**	47,259	**192,095**
ACC - Temporary - Misconduct and Legitimacy **(see Note 3)** **from 08/01/24 to 10/11/2025**	74,736	0	0	0	287	0	**75,022**	26,382	**101,404**

STATEMENT OF ACCOUNTS 2025/26

2025/26 Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Expenses/ Other Payments £	Total Remuneration excluding pension contributions 2025/26 £	Employers pension contributions £	Total Remuneration including pension contributions 2025/26 £
ACC - Temporary - Local Policing, Operations & Contact (see Note 3) from 10/11/2025	58,239	0	0	0	205	0	**58,443**	20,558	**79,002**
ACO - Director of People and Business Services	139,136	0	6,405	0	0	0	**145,541**	26,158	**171,698**
CC Chief Finance Officer	124,152	0	0	0	0	0	**124,152**	23,341	**147,493**
Police and Crime Commissioner	68,202	0	0	0	0	0	**68,202**	12,822	**81,024**
Deputy Police and Crime Commissioner	67,932	0	0	0	0	0	**67,932**	12,771	**80,703**
Chief Executive Office of Police and Crime Commissioner	117,240	0	0	0	0	0	**117,240**	22,041	**139,281**
OPCC Chief Finance Officer (see Note 4) from 01/06/2025 0.6 FTE	53,915	0	0	0	0	0	**53,915**	10,136	**64,051**

STATEMENT OF ACCOUNTS 2025/26

Notes:
1. Chief Constable Rod Hansen was suspended on 07/10/2024. He was unsuspended on 8/01/2025 and took a position at the National Police Chiefs Council (NPCC). He was then re suspended on 20/05/2025.
2. The ACC - Operations and Local Policing was suspended on 27/02/2026.
3. The ACC - Temporary - Misconduct and Legitimacy took on the role of ACC - Temporary - Local Policing, Operations & Contact on 10/11/20255.
4. The OPCC Chief Finance Officer started on 01/06/2025. Prior to this, between 01/04/2025 and 31/05/2025, the role was undertaken by CIPFA through a contract for services. The cost of this was £24,675 which includes a management charge from CIPFA.
5. The expense allowances includes the taxable value of payments made.
6. The benefits in kind entries do not refer to cash payments made to the officers but to the notional value of the benefit provided instead of cash payments. The benefits refer to the provision of vehicles.

2024/25 Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Expenses/ Other Payments £	Remuneration excluding pension contributions 2024/25 £	Employers pension contributions £	Remuneration including pension contributions 2024/25 £
R Hansen Chief Constable (see Note 1)	169,435	0	780	0	711	0	**170,926**	59,810	**230,737**
M Blyth Temporary Chief Constable (see Note 7) From 22/10/24	77,149	0	0	0	0	0	**77,149**	0	**77,149**
Deputy Chief Constable Leaver 21/06/24	33,312	0	0	34,532	0	0	**67,844**	11,759	**79,603**
ACC - Crime, Justice and Vulnerability	134,400	0	6,037	0	0	0	**140,436**	47,260	**187,696**
ACC - Temporary - Misconduct and Legitimacy	120,332	0	4,821	0	0	0	**125,153**	42,388	**167,541**
ACC - Operations and Local Policing	120,694	0	48,142	0	0	0	**168,836**	42,605	**211,441**
ACO - Director of People and Business Services	132,900	0	6,405	0	0	0	**139,305**	25,650	**164,954**
Police and Crime Commissioner	68,202	0	0	0	0	0	**68,202**	13,163	**81,365**

STATEMENT OF ACCOUNTS 2025/26

2024/25 Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Expenses/ Other Payments £	Remuneration excluding pension contributions 2024/25 £	Employers pension contributions £	Remuneration including pension contributions 2024/25 £
Deputy Police and Crime Commissioner	63,699	0	0	0	0	0	**63,699**	12,294	**75,992**
Chief Executive Office of Police and Crime Commissioner	112,274	0	0	0	0	0	**112,274**	21,669	**133,943**
CC Chief Finance Officer (see Note 3) From 07/10/24	54,940	0	0	0	0	0	**54,940**	10,663	**65,603**
PCC Chief Finance Officer (see Note 4) Leaver 15/02/25	11,931	0	0	0	0	0	**11,931**	2,065	**13,996**

Notes:
1. Chief Constable Rod Hansen was suspended on 07/10/24.
2. From 11/11/24, the role of Deputy Chief Constable was undertaken through a secondment from Thames Valley Police. The total cost of this from 11/11/24 to 31/03/25 was £85,372
3. The role of CC Chief Finance Officer was undertaken on a part time basis by CIPFA through a contract for services. The cost of this from 01/04/24 to 06/10/24 was £121,683, which includes a management charge to CIPFA.
4. From 22/05/24 the role of PCC Chief Finance Officer was undertaken on a part time basis by CIPFA through a contract for services. The cost of this from 22/05/24 to 31/03/25 was £100,148, which includes a management charge to CIPFA.
5. The expense allowances includes the taxable value of payments made.
6. The benefits in kind entries do not refer to cash payments made to the officers but to the notional value of the benefit provided instead of cash payments. The benefits refer to the provision of home security alarms and vehicles.
7. Temporary Chief Constable Maggie Blyth was appointed Interim CC on 22/10/2024 and Temporary CC on 1/01/2025.

19. Related Party Transactions

The Group is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group.

His Majesty's Government has significant influence over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates and provides a significant proportion of the main funding (57% (2024/25: 57%)) in the form of grants (details of which can be found in notes 7 and 11).

Officers and staff – during 2025/26 there were no financial material declared related party transactions to disclose.

20. Payments to External Auditors

The following fees were paid to external auditors during the year:

	2024/25 £000	2025/26 £000
External Audit services – PCC Scale Fee	98	107
External Audit services – Chief Constable Scale Fee	54	55
Total	152	162

Additional fees of £6k were billed for the PCC and £3k for the CC in relation to the 2024/25 statutory audit.

These costs are included in the Agency and Contracted section of the subjective analysis (Note 7).

21. Joint arrangements

During the year the Group undertook joint arrangements with partners in eight areas. These joint arrangements are where the Group works in collaboration with other organisations to deliver activities which are agreed through a shared control (a shared Board).

Joint arrangements are classified as either joint operations or joint ventures. There are no separate vehicles in place for the Group's joint arrangements, and they are all classified as joint operations. Details of each of these joint operations are given below.

a. Gloucestershire Emergency Centre

This is a control room centre shared by Police and Fire Services within Gloucestershire, situated at the Waterwells Business Park, Gloucester. As part of the Legal Agreement, Police are the lead body on the purchase of facility management services for the building. These costs were then recharged to the services on the basis agreed within the legal document.

	2024/25 £'000	2025/26 £'000
Group Non-current Asset valuation	2,540	2,703
Group Premises Expenditure (net of partners contributions)	396	350
Group Income from partners	**(299)**	**(266)**

The percentage interest of each party as measured by revenue contribution value was:

	%	%
Group	57	57
Gloucestershire County Council (Fire service)	43	43

The asset valuation percentage interest of each party was:

	%	%
Group	71	71
Gloucestershire County Council	29	29

b. Tri Service Fleet Workshops

This is a fleet workshop shared by Police, Fire and Ambulance Services within Gloucestershire, situated at the Waterwells Business Park, Gloucester. As part of the Legal Agreement, Police are the lead body on the purchase of facility management services for the building. These costs are then recharged to the other two services on the basis agreed within the legal document.

	2024/25	**2025/26**
	£'000	**£'000**
Group Non-current Asset valuation	1,238	1,241
Group Premises Expenditure (net of partners contributions)	95	86
Group Income from partners	**(90)**	**(83)**

The percentage interest of each party as measured by contribution value was:

	%	**%**
Group	52	52
Gloucestershire County Council (Fire service)	27	27
South Western Ambulance Service	21	21

The asset valuation percentage interest of each party was:

	%	**%**
Group	71	71
Gloucestershire County Council	29	29

c. Firearms training

This joint operation was established from April 2014 to provide firearms training across three Force areas (Gloucestershire, Wiltshire and Avon & Somerset). Each Force provides firearms trainers to the operation which is provided out of the Firearms facility based in Avon & Somerset. The costs of this operation were:

	2024/25	**2025/26**
	£'000	**£'000**
Gloucestershire	1,219	1,321
Avon & Somerset	1,844	1,954
Wiltshire	1,097	1,061
TOTAL	**4,160**	**4,336**

The percentage interest of each party as measured by contribution value was:

	%	**%**
Gloucestershire	29	30
Avon & Somerset	44	45
Wiltshire	27	25

d. Tri-service operations

These figures include the non-grant funded element of the joint Counter Terrorism Specialist Firearms Officers, which are provided across the three Forces. The 2024/25 and 2025/26 costs of the operation were:

	2024/25	2025/26
	£'000	**£'000**
Gloucestershire	338	413
Avon & Somerset	782	955
Wiltshire	338	413
TOTAL	**1,457**	**1,780**

The percentage interest of each party as measured by contribution value was:

	%	%
Gloucestershire	23	23
Avon & Somerset	54	54
Wiltshire	23	23

e. Regional Organised Crime Unit (ROCU)

ROCU is a region wide serious and organised crime collaboration with officers and staff being provided by Gloucestershire, Wiltshire, Avon & Somerset, Devon & Cornwall and Dorset. The collaboration agreement includes the following shares of costs for each Force:

	%
Gloucestershire	12
Wiltshire	12
Avon & Somerset	31
Devon & Cornwall	32
Dorset	13

The costs incurred by the joint operation as a whole and the Gloucestershire costs are summarised below.

	2024/25	2025/26
	£'000	**£'000**
Gloucestershire	2,249	2,383
Total	19,024	20,229

f. Major Crime Investigation Team (MCIT)

This collaboration is between three forces, Avon & Somerset, Wiltshire and Gloucestershire. The collaboration agreement includes the following shares of costs for each Force:

	%
Gloucestershire	17
Wiltshire	19
Avon & Somerset	64

The costs incurred by the joint operation as a whole and the Gloucestershire costs are summarised below.

	2024/25	2025/26
	£'000	**£'000**
Gloucestershire	1,721	1,840
Total	10,126	10,821

g. Regional programme team

	2024/25	2025/26
	£'000	£'000
Gloucestershire	170	225
Total	2,046	2,567

h. South West Police Procurement Service

	2024/25	2025/26
	£'000	£'000
Gloucestershire	230	240
Total	1,945	2,037

i.

j.

22. Private Finance Initiative (PFI)

The Group has entered into two long term contractual agreements under PFI, for the headquarters building at Waterwells and the Blackrock Firearms training facility.

Headquarters, Waterwells

The Group has entered into a long-term contractual agreement under PFI whereby the Contractor was responsible for the design, build, and financing and not operating and maintaining the headquarters building at Waterwells, Gloucester. The agreement imposes a 30-year commitment on the Group from occupation of the building in December 2005. From 1st April 2009, in accordance with IFRIC 12, the headquarters building has been treated as an asset on the balance sheet with a corresponding liability created at the same time. The Group has no control over the Contractor established to run this PFI scheme.

With regard to the rights to use specific assets if termination of this PFI Agreement occurs for whatever reason then the Group may require the Contractor to transfer its rights, title and interest in and to the assets to the Group at no cost to the Group.

The annual unitary charge for 2025/26 was £4.20m (£2.57m service charge, £1.13m interest & £0.5m principal). The PCC receive notional credit approvals totalling £28m from the Home Office over the life of the arrangement. The organisation opted for payment of these credits on an annuity basis. The PCC will receive a constant level amount of £2.26m per year over the life of the contract.

Firearms training facility, Blackrock

The Group has contracted with the Blue Light Partnership for the provision of a new facility which has been built under a Private Finance Initiative (PFI). This building provides operational facilities over the 25-year contract life. The contract includes the provision of services (including building maintenance) and provides for asset lifecycle replacement.

The annual unitary charge for 2025/26 was £0.67m (£0.23m service charge, £0.29m interest & £0.15m principal). The PCC will receive notional credit approvals totalling £12m from the Home Office over the life of the arrangement. The PCC received £0.50m PFI credits in 2025/26 for this facility.

The building and site assets, as provided under the contract, will remain the property of the Blue Light Partnership during the period of the contract. The assets are recognised on the Group balance sheet and are matched initially by a liability to the Blue Light Partnership. This liability will be written down over the life of the contract when payments which are identified as settling the liability, the capital element of the unitary charge, are made to the operator. The specialist training centre is shared with Avon & Somerset Police and Wiltshire Police. Only the Gloucestershire proportion of the facility is reflected in these accounts.

STATEMENT OF ACCOUNTS 2025/26

The movement in the value of assets held under PFI is detailed below:

2024/25 £000	Value of assets held under PFI (excluding land)	2025/26 £000
13,274	Balance at 1 April	13,788
0	Disposals in year	0
790	Revaluation in year	215
(276)	Depreciation in year	(285)
13,788	Balance at 31 March	13,717

The movement in the value of the liability associated with PFI is detailed below:

2024/25 £000	Value of liabilities resulting from PFI	2025/26 £000
15,361	Balance at 1 April	15,259
619	IFRS-16 adjustment 1 April	15
15,980	**Revised balance at 1 April**	**15,274**
0	Disposal	0
(721)	Lease repayment	(655)
15,259	Balance at 31 March	14,619

The payments due to be made under the PFI contract are analysed below assuming a 2.5% annual indexation rate.

	Repayment of liability £000	Interest £000	Service charges (inc lifecycle) £000	Total £000
Within one year	794	1,356	2,782	4,931
Within 2 to 5 years	4,047	4,622	11,806	20,475
Within 6 to 10 years	8,599	2,924	14,068	25,591
Within 11 to 15 years	1,179	191	658	2,028
TOTAL	**14,619**	**9,093**	**29,314**	**53,025**

£0.794m (2024/25: £0.652m) of the liability repayment is classified as a short-term creditor

STATEMENT OF ACCOUNTS 2025/26

23. Property, Plant, Equipment & Investment Property

<u>2025/26</u>	Operational assets				Non-operational assets			
	Land & Buildings £'000	Plant £'000	Vehicles £'000	Equipment £'000	Surplus Assets not held for sale £'000	Investment Properties £'000	Assets under Construction £'000	**Total £'000**
<u>Cost</u>								
Balance as at 1 April 2025	52,376	7,816	13,994	25,131	-	1,661	-	**100,978**
Additions	173	216	1,357	2,183	-	-	568	**4,498**
Transfers	-	-	-	-	-	-	-	**0**
Disposals	-	-	(1,551)	-	-	-	-	**(1,551)**
Impairment	-	-	-	-	-	-	-	**0**
Revaluations recognised in revaluation reserve	324	146	-	-	-	-	-	**470**
Revaluations recognised in surplus or deficit on the provision of services	(806)	(245)	-	-	-	-	-	**(1,051)**
Balance as at 31 March 2026	52,067	7,934	13,800	27,314	-	1,661	568	**103,344**
<u>Accumulated Depreciation and Impairment</u>								
Balance as at 1 April 2025	-	-	9,520	19,149	-	-	-	**28,670**
Depreciation in the year	761	241	2,030	2,108	-	-	-	**5,141**
Transfers	-	-	-	-	-	-	-	**0**
Disposals	-	-	(1,551)	-	-	-	-	**(1,551)**
Depreciation written out to revaluation reserve	-	-	-	-	-	-	-	**0**
Depreciation written out to surplus or deficit on the provision of services	(761)	(241)	-	-	-	-	-	**(1,002)**
Balance as at 31 March 2026	-	-	9,999	21,258	-	-	-	**31,257**
Balance sheet amount at 31 March 2026	52,067	7,934	3,800	6,056	-	1,661	568	**72,087**
Balance sheet amount at 31 March 2025	52,376	7,816	4,474	5,981	-	1,661	-	**72,308**

STATEMENT OF ACCOUNTS 2025/26

2024/25	Operational assets				Non-operational assets			
	Land & Buildings £'000	Plant £'000	Vehicles £'000	Equipment £'000	Surplus Assets not held for sale £'000	Investment Properties £'000	Assets under Construction £'000	**Total £'000**
Cost								
Balance as at 1 April 2024	51,374	8,150	12,647	22,534	-	1,661	231	**96,597**
Additions	639	1,175	3,199	2,366	-	-	-	**7,379**
Transfers	-	-	-	231	-	-	(231)	**0**
Disposals	(100)	-	(1,852)	-	-	-	-	**(1,952)**
Impairment	-	-	-	-	-	-	-	**0**
Revaluations recognised in revaluation reserve	1,451	(1,262)	-	-	-	-	-	**189**
Revaluations recognised in surplus or deficit on the provision of services	(988)	(247)	-	-	-	-	-	**(1,235)**
Balance as at 31 March 2025	52,376	7,816	13,994	25,131	-	1,661	-	**100,978**
Accumulated Depreciation and Impairment								
Balance as at 1 April 2024	-	-	9,050	17,484	-	-	-	**26,535**
Depreciation in the year	739	273	2,322	1,665	-	-	-	**4,999**
Transfers	-	-	-	-	-	-	-	**0**
Disposals	-	-	(1,852)	-	-	-	-	**(1,852)**
Depreciation written out to revaluation reserve	-	-	-	-	-	-	-	**0**
Depreciation written out to surplus or deficit on the provision of services	(739)	(273)	-	-	-	-	-	**(1,012)**
Balance as at 31 March 2024	-	-	9,520	19,149	-	-	-	**28,670**
Balance sheet amount at 31 March 2025	52,376	7,816	4,474	5,981	-	1,661	-	**72,308**
Balance sheet amount at 31 March 2024	51,374	8,150	3,597	5,049	-	1,661	231	**70,062**

There are no assets held for sale less than one year at 31st March. Land and Buildings includes the land for the Police Headquarters at a value of £3.13m at 31st March 2026. The Police HQ building and Joint Firearms facility are supplied under PFI agreements (note 22). The Police Headquarters building and Joint Firearms facility have been capitalised and are recognised as PFI assets on the asset register. Land and Building also includes Gloucestershire Constabulary's share of the Tri-Service GTEC and Tri-Service Workshop, jointly owned with Gloucestershire County Council (see Note 21). All other assets are fully owned by the Group.

Vehicles, equipment and assets under construction are valued on the basis of historic cost. Operational land and buildings and the surplus asset were valued on the basis of current value as at 31st March 2026. Investment properties were valued on the basis of current Market Value (MV) as at 31st March 2026. Assets under construction are held at cost and are assessed for signs of impairment at year-end.

The revaluation of assets at 31st March 2026 realised an increase in asset values of £0.406m. This is reflected in the Comprehensive Income and Expenditure Statement as follows:

	£'000
Net cost of Services	64
Surplus on revaluation of non-current assets	(470)
TOTAL	**(406)**

The fair value of the Group's one investment property is measured annually at each reporting date by an external valuer in line with the professional standards of the Royal Institute of Chartered Surveyors. The Group's investment property, which is land, has been valued at 31st March 2026 at Level 2 (other significant observable inputs) in the fair value hierarchy, with a total value of £1.661m. The fair value for this land is based on market conditions and sales prices for similar land in the Group area at the time of the valuation.

The following assets were disposed of during 2025/26:

	Sales Proceeds £000	**Fair Value £000**	**Gain (Loss) £000**
Land & buildings	0	0	0
Vehicles	393	0	393
Total	393	0	393

Any gains or losses on the disposal of land and buildings are recognised in the Comprehensive Income and Expenditure Statement. The gain on the disposal of vehicles is not included in the Comprehensive Income and Expenditure Statement unless the sale proceeds are greater than £10k. Sale proceeds for vehicles under £10k for an individual vehicle are not classified as capital receipts. Income from the sale of vehicles is included in Income from Fees and Charges (Note 12).

The value of land & buildings, plant and investment properties excluding the effect of revaluation (with a 1st April 2015 baseline) is detailed below.

	Land & buildings £'000	**Plant £'000**	**Investment properties £'000**	**Total £'000**
Balance as at 31 March 2026	62,622	5,231	1,110	**68,963**
Balance as at 31 March 2025	63,262	5,169	1,110	**69,541**

24. Intangible Assets

Intangible Fixed Assets for the Group relate to purchased software licences. All intangible fixed assets are judged to have a finite life of five years and are amortised using a straight-line allocation over the expected useful life. Amortisation is apportioned across the Net Cost of Services in the Comprehensive Income and Expenditure Statement.

	Intangible Assets £000	**Assets Under Construction £000**	**Accummulated Amortisation £000**	**Total £000**
2025/26				
Balance at 1 April 2025	6,876	3,719	(5,787)	4,808
				-
Additions	1,126	3,460	-	4,586
Transfers	7,127	(7,127)	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
Amortisation in year	-	-	(387)	(387)
Balance at 31 March 2026	15,128	52	(6,174)	9,007
2024/25				
Balance at 1 April 2024	6,800	1,316	(5,337)	2,779
				-
Additions	76	2,403	-	2,479
Transfers	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
Amortisation in year	-	-	(450)	(450)
Balance at 31 March 2025	6,876	3,719	(5,787)	4,808

25. Summary of capital expenditure and method of finance

Capital Expenditure	2024/25 £000	2025/26 £000
Replacement and Refurbishment of Assets		
Vehicles	3,199	1,357
Equipment - IT upgrade/development of existing systems	2,442	3,309
Estates	639	850
	6,280	5,516
New Development Work		
Decarbonisation	1,175	108
	1,175	108
Assets under Construction		
IT Systems	2,404	3,460
Total Capital Expenditure	9,859	9,084

2024/25 £'000	£'000	Capital Financing (including Blackrock PFI facility)	2025/26 £'000	£'000
	45,532	**Opening capital financing requirement**		**50,872**
		Opening balance adjustment for right-of-use assets		15
		Capital investment		
1,814		Land & buildings	958	
3,199		Vehicles	1,357	
4,846		Equipment	6,769	
	9,859			9,084
		Sources of finance		
(893)		Government grants	0	
(33)		Capital receipts	(2,034)	
(1,900)		Revenue contribution	0	
(2,312)		MRP	(2,892)	
	(5,138)			(4,926)
	4,721	Increase/(decrease) in capital financing requirement for the year		4,158
	50,872	**Closing capital financing requirement**		**55,045**
		In year movement represented by:		
	7,033	Borrowing		7,049
	(2,312)	MRP		(2,892)
	4,721			4,158

STATEMENT OF ACCOUNTS 2025/26

26. Commitments under capital contracts

As at 31st March 2026 there were no capital commitments greater than £200k.

27. Short term debtors

	2024/25 £000	2025/26 £000
Debtors		
Central government bodies	7,858	6,891
Local Authorities	1,067	979
All other bodies	5,375	5,887
Payments in advance		
All other bodies	6,419	6,523
Total	**20,720**	**20,279**

Government Debtors for 2025/26 includes £2m (2024/25: £3.3m) owed by the Home Office for the Pension Top-Up Grant. This is the only Chief Constable debtor and is reflected as an intra-group adjustment in the accounts between the Chief Constable and Group. All other short-term debtors are attributed to the PCC.

28. Cash and Cash Equivalents

	2024/25 £000	2025/26 £000
Cash	36	515
Temporary Investments	11,361	12,245
Total	**11,397**	**12,759**

The sum of £12.2m (2024/25: £11.4m) represents the investment of temporary cash balances at 31st March 2026. The fair value of these investments at 31st March 2026 was £12.5m (2024/25: £11.4m).

29. Short Term Creditors

	2024/25 £000	2025/26 £000
Creditors		
Central government bodies	4,040	4,129
Local Authorities	1,855	1,886
Capital (all other bodies)	188	432
PFI liability	622	776
All other bodies	11,121	12,324
Total creditors	**17,826**	**19,548**
Receipts in advance		
Central government bodies	50	181
Local Authorities	235	57
All other bodies	150	73
Total receipts in advance	**435**	**310**
Total	**18,261**	**19,858**

All short-term creditors are attributed to the PCC, other than the following which are allocated to the Chief Constable and are subject to an intra group adjustment between the accounts of the Chief Constable and Group.

30. Analysis of external borrowing

Source of loan	Average interest rate payable	Total outstanding at 31st March 2025 £000	2026 £000
Public Works Loan Board (PWLB)		21,907	32,975
Dexia Credit Local		5,000	0
Total loans	4.82%	**26,907**	**32,975**
Interest accrued		171	406
Total outstanding		**27,078**	**33,381**
Analysis of loans by maturity			
Short term – less than one year		580	694
Between 1 and 2 years		857	-
Between 2 and 5 years		4,642	9,868
Between 5 and 10 years		11,226	22,818
Between 10 and 15 years		4,773	-
Between 15 and 20 years		-	-
Between 20 and 25 years		-	-
More than 25 years		5,000	-
Total		**27,078**	**33,381**

As at 31st March 2026 there were no defaults or breaches against any of the loans in the above schedule.

In the event of a default against Public Works Loan Board (PWLB) loans advanced after 31st March 2004, interest will be charged on late payments at the Bank of England ‘repo’ rate for the day from the relevant payment date to the date on which the Board’s account is credited. The same term applies to delayed premature payments.

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost.

The fair value of the PWLB loans have been calculated by reference to the ‘premature repayment’ set of rates in force on 31st March 2025 and 31st March 2026. Carrying amounts for instruments maturing in the next twelve months is assumed to approximate fair value. The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of PWLB and fixed term loans has been assessed using level 2 inputs according to the fair value hierarchy. The economic effects of the terms agreed have been compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the difference in the interest the authority will pay for the remaining terms of the loans under their agreement, against what would be paid if the loans were at prevailing market rates. The fair value of the PFI Liability has been assessed using level 2 of the fair value hierarchy, using AA-rated Corporate bond yields as at the balance sheet date to discount the future liability costs.

The fair value of external borrowings is as follows:

External Borrowings	31 March 2025 Carrying amount £’000	31 March 2025 Fair Value £’000	31 March 2026 Carrying amount £’000	31 March 2026 Fair Value £’000
Dexia Credit Local	5,000	5,800	0	0
Public Works Loan Board	22,078	23,044	33,381	34,444

On 1st April 2025 the OPCC held £5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the OPCC has the option to either accept the new rate and terms or to repay the loan at no additional cost. The Dexia LOBO loan was called and refinanced with a new £5m PWLB loan in April 2025.

Financial liabilities and financial assets are carried in the Balance Sheet at amortised cost. IFRS 13 reporting has required fair values to be disclosed, defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the balance sheet date.

The Group's valuations of assets and liabilities are deemed to be Level 2 in terms of hierarchy with all inputs being observable but not quoted prices. These represent present value of the cash flows that will take place over the remaining term of the instruments. Valuations also have the following specific features:

a. Cash flows arising from Public Works Loan Board loans have been discounted in line with IFRS13, so that the fair value equals the amount at which the authority could repay its loans on balance sheet date.

b. The fair value of trade receivables and payables is taken to be the invoiced amount.

c. Due to their short term nature, the fair value of investments is taken to be that held on the balance sheet.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, accrued interest is included in the fair value calculation.

31. Financial instruments

Financial assets

	Non-current				Current			
	Investments		Debtors		Investments		Debtors	
	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000
Fair value through profit or loss	-	-	-	-	11,070	12,517	-	-
Amortised cost	-	-	-	-	291	55	3,122	3,512
Total financial assets	-	-	-	-	**11,361**	**12,572**	**3,122**	**3,512**
Non-financial assets	-	-	-	-	0	0	17,598	16,767
Total	**-**	**-**	**-**	**-**	**11,361**	**12,572**	**20,720**	**20,279**

Financial liabilities

	Non-current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000
Amortised cost	26,498	29,934	14,637	13,843	580	3,447	4,381	4,852
Total financial liabilities	**26,498**	**29,934**	**14,637**	**13,843**	**580**	**3,447**	**4,381**	4,852
Non-financial liabilities	-	-	-	-	-	-	13,880	15,006
Total	**26,498**	**29,934**	**14,637**	**13,843**	**580**	**3,447**	**18,261**	**19,858**

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

- Credit risk, the possibility that other parties may fail to pay amounts due to the Group
- Liquidity risk, the possibility that the Group might not have funds available to meet its commitments to make payments
- Market risk, the possibility that financial loss might arise for the Group as a result of changes in such measures as interest rates and stock market movements.

STATEMENT OF ACCOUNTS 2025/26

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by staff in the Finance department, under policies approved by the Group in the Annual Treasury Management report. The Group provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group's customers. Deposits are not made with foreign banks and financial institutions unless they are rated independently and meet the minimum credit rating criteria as set out in the Annual Investment Strategy, approved by the PCC. The Group has a policy of not lending more than £6m of its surplus balances to any one building society, £10m to any one bank and £6m to any wholly owned subsidiary of a clearing bank. The credit criteria in respect of financial assets held by the Group are as detailed below:

Financial asset category	Criteria	Maximum sector investment
Deposits with UK banks	Minimum total assets: £1,000m	£35m
Deposits with UK building societies	Minimum total assets: £1,000m	£30m
Deposits with wholly owned subsidiaries of clearing banks	Minimum total assets: £1,000m	Unlimited

The PCC's current approved lending list includes all UK banks and building societies with assets in excess of £1 billion and many of these do not have a credit rating. In addition, the list includes wholly owned subsidiaries of UK clearing banks.

Any surplus cash is invested temporarily by the PCC with specified financial institutions, money market funds, or other Government or public sector bodies. In order to ensure the PCC's risk exposure is minimised, credit ratings are monitored on an ongoing basis, and individual counterparty ratings are verified on the day of investment. As directed by the revised CIPFA Treasury Management Code, account is taken using ratings issued by three main rating agencies, Fitch, Moody's, and Standard & Poor's. Decisions are taken based on the lowest of these ratings. It should also be noted that a range of additional indicators are used to assess counterparty credit worthiness including for example credit default swaps, Government guarantees and support, and share price. All investments are held in sterling deposits and are rated as per the lending Counterparty Criteria approved each year by the PCC.

The following analysis summarises the PCC's potential maximum exposure to credit risk, based on historical experience of default and write-offs.

	Amount at 31st March 2026 £'000	Historical experience of default %	Historical experience adjusted for market conditions at 31st March 2026 %	Estimated maximum exposure to default and uncollectability £000	Estimated maximum exposure at 31st March 2026 £'000
Deposits with banks and financial institutions	12,760	0	0	0	0
Other Customers	3,512	0	0	0	0

No credit limits were exceeded during the reporting period and the PCC does not expect any losses from non-performance by any counterparties in relation to deposits.

STATEMENT OF ACCOUNTS 2025/26

The PCC does not generally allow credit for customers, such that £0.460m of the £0.744m balance on the Accounts Receivable ledger at 31st March 2026 was past its due date for payment (i.e. 30 day payment terms). The past due amount on non-government debtors can be analysed by age as follows:

	31 March 2025 £000	31 March 2026 £'000
Less than three months	4	20
More than three months	198	139
Total	**202**	**159**

Liquidity risk

The Group has a cash flow management system that seeks to ensure that cash is available as needed. As the Group has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Group may replenish its borrowings at a time of unfavourable interest rates.

The strategy is to ensure there are adequate though not excessive cash resources, borrowing arrangements and overdraft facilities to enable the Group at all times to have the level of funds available to it, which are necessary for the achievement of its business objectives. The Group's financial liabilities are as follows:

	31 March 2025 £000	31 March 2026 £000
PFI Finance Lease (long term liability)	14,608	13,843
Short Term Creditors	4,381	4,852
Borrowing	27,078	33,381
Total	**46,067**	**52,076**
Other non-financial instrument creditors	13,880	15,006
Total	**59,947**	**67,082**

The maturity analysis of these financial liabilities is as follows:

	31 March 2025 £'000	31 March 2026 £'000
Less than one year	4,961	5,546
Between one and two years	1,665	899
Between two and five years	7,394	13,034
Between five and ten years	19,564	31,417
More than ten years	12,483	1,179
Total	**46,067**	**52,076**

All creditors and receipts in advance are due for settlement in less than one year.

Market risk

Interest rate risk

The Group is exposed to some risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Group. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates, the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- borrowings at fixed rates, the fair value of the liabilities borrowings will fall
- investments at variable rates, the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- investments at fixed rates, the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and effect the General Fund Balance £ for £. Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income and Expenditure Statement.

The Group has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans and limits are set on the maturity structure of its borrowings. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Group's cost of borrowing and provide compensation for a proportion of any higher costs.

The Treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable. Because the Group, as at 31 March 2026, had no variable rate borrowings the impact of any interest rate changes on the Comprehensive Income and Expenditure Statement would be zero. A sensitivity analysis on this portfolio of investments and borrowings would therefore show no impact on the Comprehensive Income and Expenditure Statement.

Price risk

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

Foreign exchange risk

The Group has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates. Income received in a foreign currency is banked immediately and converted using the exchange rate applicable at the time of banking.

32. Provisions

Provision has been made for legal cases and bad debts at the Balance Sheet date.

	2024/25	2025/26
	£000	£000
Balance as at 1April	353	635
Additional provisions made in year	282	110
Amount used during the period	0	0
Balance as at 31 March	635	745

33. Contingent liabilities

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 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.

No other known contingent liabilities.

STATEMENT OF ACCOUNTS 2025/26

34. Trust and other funds

The Group is responsible for various trusts and other funds, summarised below. These balances, which are appropriately invested, are not included in the Balance Sheet.

	Balance at 01-Apr-25 £'000	2025/26 Income £'000	2025/26 Expenditure £'000	Balance at 31-Mar-26 £'000
Property Act	117	45	(20)	142
Court Orders	838	759	(300)	1297
	955	804	(320)	1,439

	Balance at 01-Apr-24 £'000	2024/25 Income £'000	2024/25 Income Restated £'000	2024/25 Expenditure £'000	2024/25 Expenditure Restated £'000	Balance at 31-Mar-25 £'000	Balance at 31-Mar-25 Restated £'000
Property Act	67	71	71	(20)	(20)	117	117
Court Orders	1,090	989	737	(737)	(989)	1,343	838
	1,157	1,060	1,060	(757)	(1,009)	1460	955

(i) **Property Act**

The fund holds the proceeds from the sale of unclaimed property, believed to have been stolen. The proceeds, after defraying the costs of handling the property, are available for distribution each year to local charities as directed by the Group.

(ii) **Court Orders**

Money seized in connection with possible criminal activity is held pending a decision, by the courts, on the lawful owner, or distribution if no legal owner is identified.

35. Post Balance Sheet Events

There are no adjusting or non-adjusting post balance sheet events.

36. Cash Flow Statement - Reconciliation of Comprehensive Income and Expenditure Statement deficit to net cash flow from operating activities

	2024/25 £000	2025/26 £000
Surplus/(Deficit) on provision of services	(23,780)	(10,555)
Adjustment for non-cash transactions:		
Net charges made for retirement benefits in accordance with IAS19	17,303	7,771
Depreciation	5,450	5,528
Loss (gain) on revaluation of fixed assets	842	64
Gain/loss on disposal of fixed assets	(33)	(263)
	23,562	13,101
Capital grant to investing activities	(894)	-
(Increase)/decrease in stock	(72)	(4)
(Increase)/decrease in debtors	1,831	441
Increase/(decrease) in creditors/provisions	6	1,769
	1,765	2,206
Net Cash Flow from operating activities	**653**	**4,752**

37. Cash Flow Statement - Purchase of non-current assets

	2024/25 £000	2025/26 £000
Capital expenditure - per Balance Sheet on accruals basis	9,859	9,084
Add: Capital creditors brought forward	372	188
Less: Capital creditors carried forward	(188)	(432)
Capital expenditure - on cash basis (per Cash Flow Statement)	10,043	8,840

38. Cash Flow Statement – Net Cash Flow from Financing Activities

	As at 31/03/2025 £000	As at 31/03/2026 £000	Movement in year £000
Short term borrowing - repayable within one year	408	3,040	2,632
Long term borrowing - repayable after more than one year	26,497	29,934	3,436
Capital element of finance lease payment	14,669	14,015	(655)
	41,574	46,988	5,413

STATEMENT OF ACCOUNTS 2025/26

39. Cash Flow Statement - Movement in cash and cash equivalents

	As at 31/03/2025 £000	As at 31/03/2026 £000	Movement in year £000
Movement in cash			
Bank accounts	(9)	469	478
Imprest accounts	46	46	-
Increase in cash	37	515	478
Movement in temporary investments	11,361	12,245	884
Movement in cash and cash equivalents	11,398	12,760	1,362

Gloucestershire Police Pension Fund Account

For the year ended 31 March 2026

2024/25 £'000		2025/26 £'000
	Contributions receivable	
	From employer	
19,232	- basic contributions at 35.3% of pensionable pay	20,509
915	- other (maternity/paternity/sickness, remedy, capital charge ill health & the 30+ scheme)	1,725
20,147		22,234
7,408	From members	8,066
	Transfers in	
46	Individual transfers in from other schemes	54
32	Transfer from Avon & Somerset Constabulary	37
78		91
27,633		**30,391**
	Benefits payable	
(42,144)	Pensions	(43,618)
(6,934)	Commutations and lump sum retirement benefits	(8,490)
(49,078)		(52,108)
	Payments to and on account of leavers	
(202)	Individual transfers out to other schemes	(216)
(49,280)		**(52,324)**
(21,647)	**Sub-total for the year before transfer from the PCC of amount equal to the deficit**	**(21,933)**
21,647	**Additional funding payable by PCC to meet deficit for the year**	**21,933**
0	**Net amount payable for the year**	**0**

Gloucestershire Police Pension Fund Net Assets Statement

as at 31 March 2026

2024/25 £'000	**Current Assets**	**2025/26 £'000**
3,314	Funding to meet deficit receivable from PCC	2,088
3,561	Other current assets – Pensions prepaid	3,722
6,875		5,810
	Current Liabilities	
(6,875)	Other current liabilities	(5,810)
0	**Net Assets**	**0**

Notes to the Gloucestershire Police Pension Fund Accounts

1. General Description of Fund's Operations

The Police Officer Pension Fund is administered by the Chief Constable in accordance with the Police Pensions Act 1976, as amended by the Police Reform and Social Responsibility Act 2011. This is administered from a separate local police pensions account, rather than direct from the Comprehensive Income and Expenditure Statement. The pensions account is topped up by the Group if the contributions are insufficient to meet the cost of pension payments. The Group receives a Police Pension Top Up Grant from the Home Office for an amount equal to the deficit on the Police Pension Fund Account.

It should be noted that the Police Pension Fund has no investment assets, and pensions are paid from employer and employee contributions, plus additional funding from the Group. Employer contributions are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. For the year ended 31st March 2026 the percentage Employer contribution was 35.3% (35.3% for the year ended 31st March 2025). Under IAS19 the Police Pension Scheme is classed as a defined benefit scheme. Therefore the risk of shortfall remains with the Group. Accordingly, the Group has obtained an actuarial valuation for the scheme.

2. Accounting Policies

a. The Accounts have been prepared to meet the requirements of Regulation 7(1) (d) of the Accounts and Audit (England) Regulations 2014 which states that the Group is obliged to include the police pensions account in its statement of accounts. They also meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

b. The Accounts have been prepared on an accruals basis.

c. The Accounts do not take account of liabilities to pay pensions and other benefits in the future. This is reported upon separately in the Actuary's statement, details of which can be found in note 10 of the main statement of accounts.

d. There are no significant estimation techniques employed in the production of the pension fund accounts.

PCC Annual Governance Statement

The Accounts and Audit Regulations 2015 require that the Annual Governance Statement accompanies the Statement of Accounts. The PCC and the Chief Constable have prepared a joint statement and have elected to publish the Joint Annual Governance Statement as a separate document to the Statement of Accounts.

The Joint Annual Governance Statement is a statutory document which explains the governance processes and procedures in place to enable the PCC and the Chief Constable to carry out their functions effectively. The Statement is available on the website for the OPCC.

Glossary

ACCOUNTING PERIOD
The period of time covered by the accounts, usually a full year, which for this Group runs from 1st April to 31st March.

ACCOUNTING POLICIES
Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising
- Selecting measurement bases for, and
- Presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies define the process whereby transactions and other events are reflected in financial statements.

ACCRUALS
The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid. For example, expenditure accruals relate to the value of goods/services/works received or carried out, but not necessarily paid for, in the period.

ACTUARIAL GAINS AND LOSSES
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:
(a) Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or
(b) The actuarial assumptions have changed.

ACTUARIAL VALUATION
An independent report on the financial status of a Pension Fund, which shows the estimated cost today of providing benefits in the future.

AGENCY SERVICES
Services provided by one body (the agent) on behalf of, and generally with payment from, the responsible body.

AMORTISATION
The writing down in value of intangible fixed assets (e.g. software licences), which is charged to service revenue accounts to reflect the cost of such assets, used in the provision of those services. This is the equivalent of depreciation for fixed assets.

ANNUAL GOVERNANCE STATEMENT
The Annual Governance Statement comprises mainly a policy statement; recognition of core principles of good governance; the corporate governance arrangements; and an annual governance review. The Annual Governance Statement is a self-contained statement which is submitted to the Audit Committee for review.

ASSETS HELD FOR SALE
Under IFRS 5 a split is made of surplus assets, between those where there is a clear intention for disposal within the following 12 months (Assets Held for Sale) and those assets with longer term disposal plans. Assets for immediate sale are classified as current assets rather than non-current assets.

AUDITOR'S OPINION
The opinion required by statute from the PCC's external auditors, indicating whether the statement of accounts presents fairly the financial position of the PCC and Group.

BALANCE SHEET
This statement sets out the financial position of the Group at year-end 31 March. It shows a summary of non-current assets held, the current assets employed, the balances and reserves of the Group and the Group's financial liabilities.

BUDGET
The PCC's plan for providing resources to meet his service obligations. The PCC has recently set an annual budget within a four year financial strategy covering the period 2024/25 to 2027/28.

CAPITAL ADJUSTMENT ACCOUNT
In general this reflects the amount already used to finance fixed assets. Further information on this, including the actual figures for the financial year, is given in the full Statement of Accounts.

CAPITAL EXPENDITURE
The cost of buying or building significant assets (e.g. land and buildings) which have a long-term value to the PCC.

CAPITAL GRANTS
Grants received by the PCC that can only be used to pay for capital projects.

CAPITAL RECEIPTS
Proceeds from the sale of fixed assets, such as land or buildings.

CARRYING AMOUNT
This is the amount of a financial asset or liability that should be recorded in the Balance Sheet for a given date based upon the correct measurement approach for the financial asset or liability.

CASH & CASH EQUIVALENTS
Cash comprises cash on hand and demand deposits. 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 FLOW STATEMENT
This statement summarises the Group's inflows and outflows of cash and cash equivalents arising from transactions with third parties during the year, for revenue and capital purposes.

CHIEF CONSTABLE FOR GLOUCESTERSHIRE
The Chief Constable is a separate corporation sole which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

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

COLLECTION FUND
District and unitary councils pay all receipts from local taxpayers into a "collection fund". They then pay county, police, fire, district, unitary and parish council precepts from the fund.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. PCCs 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.

CONTINGENT LIABILITY
A contingent liability is either:
(a) A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control,
or
(b) A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

COUNCIL TAX
A tax based on the value of property, which is administered by District and Unitary authorities.

CREDITORS
Amounts owed by the Group for goods received, or services rendered to it within the accounting period, but for which payment has not been made at the end of that period.

CURRENT ASSETS
Current assets are items that can be readily converted into cash.

CURRENT LIABILITES
Current liabilities are amounts which will become payable or could be called in within the next accounting period.

CURRENT SERVICE COST (PENSIONS)
The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

CURTAILMENT (PENSIONS)
For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:
(a) termination of employees' services earlier than expected, and
(b) termination or amendment to the terms, of a defined benefit scheme, so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

DEBTORS
Amounts of income due to the PCC within the accounting period but not received at the balance sheet, or period end, date.

DEFINED BENEFIT SCHEME
A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

DEFINED CONTRIBUTION SCHEME
A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEPRECIATION
The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

EARMARKED GENERAL FUND RESERVES
Money set aside for a clearly defined purpose, and which is available to meet future expenditure in that area.

ESTIMATION TECHNIQUES
The methods adopted to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves. These implement the measurement aspects of the accounting policies, and include selecting methods of depreciation and making provision for bad debts.

EVENTS AFTER THE BALANCE SHEET DATE
Events after the Balance Sheet date are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXISTING USE VALUE
The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

EXPECTED RATE OF RETURN ON PENSIONS ASSETS
For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXPERIENCE GAINS & LOSSES (Pensions disclosure)
This shows the impact of actual experience differing from the accounting assumptions, such as pension increases differing from those assumed and unexpected membership movements.

FAIR VALUE
The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCE LEASE
Finance Leases are where the terms of the lease, or a right to use an asset in return for payment, transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. Finance lease(s), as defined by IAS 17, are accounted for as deferred liabilities (within Long Term Liabilities on the Balance Sheet); and the finance charges (i.e. interest element) and principal element, respectively, are charged to the CIES (Financing and Investment Income and Expenditure) and to write down the long-term liability. IAS 17 requires the recognition of any leases embedded within contracts.

FINANCIAL INSTRUMENTS
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

GENERAL FUND
The main revenue fund of the PCC. Day-to-day spending on services is met from the fund.

GROUP
The term Group refers to the Police and Crime Commissioner for Gloucestershire and the Chief Constable for Gloucestershire.

INTERNATIONAL ACCOUNTING STANDARD 19 (IAS 19)
IAS 19 prescribes the accounting treatment of short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
International Financial Reporting Standards (IFRS) replaced the annual Statement of Recommended Practice (SoRP) based on GAAP, for all local authorities in the UK from the financial year commencing 1st April 2010.

IMPAIRMENT
A reduction in the value of a non-current asset below its value brought forward in the balance sheet. Examples of factors which may cause such a reduction in value include, general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

INTANGIBLE ASSETS
An intangible item may meet the definition of an asset when access to the future economic benefits that it represents is controlled by the reporting entity, either through custody or legal protection. Purchased intangible assets (e.g. software licences) should be capitalised as assets. Intangible assets should be amortised on a systematic basis over their economic lives.

INTEREST COST (PENSIONS)
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.

INVENTORIES (STOCKS)
The amount of unused or unconsumed goods held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises.

INVESTMENT PROPERTY
Property held solely to earn rentals or for capital appreciation or both, rather than for:
(a) use in the production or supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of operations.

LONG TERM ASSETS
Non-current assets that yield benefits to the Group and the services it provides for a period of more than one year.

MINIMUM REVENUE PROVISION (MRP)
MRP is the mechanism for setting aside monies to repay borrowing. The requirement for MRP set aside applies even if the capital expenditure is being financed from the Council's own cash resources and no new external borrowing or other credit arrangement has been entered into.

MOVEMENT IN RESERVES STATEMENT (MIRS)
This statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (including the General Fund Balance), and other (unusable) reserves.

NET ASSETS
Assets less liabilities, which are matched by the reserves held by the Group.

NON CURRENT ASSETS
Assets that yield benefits to the Group and the services it provides for a period of more than one year.

NON DISTRIBUTED COSTS
For the Group these are principally past service costs relating to pensions benefits earned in prior periods.

NON OPERATIONAL ASSETS
Non current assets that are not used to deliver direct services. For example, assets that are still being built or are no longer used and about to be sold.

OPERATING LEASE
An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership. Expenditure financed by operating leasing does not count in capital expenditure. Rentals paid under operating leasing agreements are accrued and accounted for through the revenue account in the period to which they relate.

OPERATIONAL ASSETS
Non-current assets held and occupied, used or consumed by the Group in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)
For a defined benefit pension 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.

PENSIONS RESERVE
Unlike other 'Reserves' this is a negative reserve (debit balance). It is equal in amount to, and offsets, the net pensions liability.

POLICE AND CRIME COMMISSIONER FOR GLOUCESTERSHIRE (PCC)
The PCC is a separate corporation sole, which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

POST BALANCE SHEET EVENTS
Events arising after the balance sheet date which provide additional evidence of conditions that existed at the balance sheet date and are of a material nature.

PRECEPT
The levy made by precepting authorities, such as PCCs, on billing Authorities requiring the latter to collect income from Council Taxpayers on their behalf.

PRINCIPAL
The amount of a loan that was actually borrowed, before interest is added.

PRIVATE FINANCE INITIATIVE (PFI)
The private finance initiative is a way of creating public/private partnerships by funding public infrastructure projects with private capital.

PROVISION
An amount set aside in the accounts for anticipated future liabilities or specific losses that are reasonably certain to be incurred, but which cannot be quantified accurately at the balance sheet date (are uncertain in amount and date). Provisions have been recognised in the accounts when there is a legal or constructive obligation to transfer economic benefits that can be estimated with a degree of certainty as a result of a past event. Any provision is intended to represent the best estimate at the Balance Sheet date of expenditure required to settle the present obligation; and, later, should only be applied to the precise purpose for which the provision was recognised. Provisions are shown in a note in the full Statement of Accounts.

PRUDENTIAL CODE FOR CAPITAL FINANCE
This code was introduced from 1st April 2004. The basic principle of the code is that PCCs are free to borrow so long as their capital spending plans are affordable, prudent and sustainable. The prudential code sets out indicators that the PCC must use and factors that they must take into account to demonstrate that they have fulfilled this objective.

PUBLIC WORKS LOAN BOARD (PWLB)
A Government agency that provides longer-term loans to PCCs.

RELATED PARTY TRANSACTIONS
A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Two or more parties are related parties when at any time during the financial period:
(i) One party has direct or indirect control of the other party, or
(ii) The parties are subject to common control from the same source, or
(iii) one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests, or
(iv) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

REMUNERATION
All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVE
Amounts, where cash-backed, set aside in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, which may be incurred in future period(s). Any amounts set aside for purposes falling outside the definition of Provisions have been accounted for as reserves.

RETIREMENT BENEFITS
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits.

REVALUATION RESERVE
This account, from 1st April 2007, replaced the (former) Fixed Asset Restatement Account. The revaluation reserve deals with the impact of increases or decreases in the values of fixed assets.

REVENUE CONTRIBUTIONS
A method of financing capital expenditure through the revenue account.

SCHEME LIABILITIES (PENSION SCHEME)
The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities reflect the benefits that the employer is committed to provide for service up to the valuation date.

SHORT-TERM ACCUMULATING COMPENSATED ABSENCES
Absences earned but not taken by the end of the financial year e.g. annual leave entitlement.

SHORT–TERM BORROWINGS
Loans that a borrower needs to pay back within 12 months.

TERMINATION BENEFITS
Termination benefits (e.g. redundancy payments), whether they are resulting from a decision by the Group to terminate an employee's employment before normal retirement date or an employee's decision to accept voluntary redundancy, are charged to the relevant service line in the CIES.

THIRD PARTY PAYMENTS
Payments made to outside contractors and other bodies who provide specialist or support services for the Group.

TREASURY MANAGEMENT
This relates to borrowing and cash activities, including Investment, of the PCC, and the effective management of any associated risks. Local authorities' treasury management activities are prescribed by statute. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment for the purpose of the prudent management of its financial affairs.

UNUSABLE RESERVES
Reserves that the PCC is not able to use to provide services, as they reflect unrealised gains and losses.

USABLE RESERVES
Reserves that the PCC may use to provide services, subject to maintaining a prudent level and to any statutory limitations. They are cash backed.