



**GROUP AND PCC  
STATEMENT OF ACCOUNTS  
31 March 2026  
DRAFT**

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**Statement of Accounts  
for the year ended 31 March 2026**

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

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# Statement of Responsibilities for the Statement of Accounts

## The Police and Crime Commissioner for Norfolk (PCC for Norfolk) Responsibilities

The PCC for Norfolk must:

- Arrange for the proper administration of the PCC for Norfolk's financial affairs and ensure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer (CFO PCC);
- Manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts;
- Ensure that there is an adequate Annual Governance Statement.

## Approval of Statement of Accounts

I approve the following Statement of Accounts:

**Mark Stokes**

**Interim Police and Crime Commissioner for Norfolk**

## The Chief Finance Officer (CFO) of the PCC for Norfolk Responsibilities

The PCC's CFO is responsible for preparing the Statement of Accounts for the PCC for Norfolk in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards ("the Code").

In preparing this statement of accounts, the PCC's CFO has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code and its application to local authority accounting.

The PCC's CFO has also:

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

## Certified by Chief Finance Officer of the PCC for Norfolk

I certify that this statement of accounts has been prepared in accordance with proper accounting practice and presents a true and fair view of the financial position of the PCC for Norfolk at 31 March 2026, and its income and expenditure for the year to that date.

**Simon George, BA (Hons), MSc, ACMA, CPFA**

**Chief Finance Officer**

## **Message from the Acting Police and Crime Commissioner, Mark Stokes**

The financial position for policing remains challenging. The sector continues to experience high levels of cost inflation which coupled with rising demand pressures impacts on funds available.

The Chief Constable worked hard to deliver the strategic aims of the current Police and Crime Plan, whilst being a good steward of public funds. These accounts are part of the evidence of good stewardship.

It should be noted that 81% of the gross budget is spent on people (police officers and police staff), and the opportunities for making budget savings that do not affect jobs are limited.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). The Accounts provide information to all stakeholders and interested parties, enabling them to:

- Understand the overarching financial position of the Police and Crime Commissioner and Constabulary (the PCC Group) for the year ended 31 March 2026;
- Have confidence that the public money entrusted to the Police and Crime Commissioner (PCC) has been used efficiently and effectively and accounted for in an appropriate manner.
- Be assured that the financial position of the PCC Group is secure.

The format and context of the accounts complies with the requirements of the Code which includes relevant International Financial Reporting Standards (IFRS).

The Chief Finance Officer's section of the Narrative Report explains, on Page 9, how the financial outturn report links to the figures in the Comprehensive Income and Expenditure Statement. This outturn report sets out the financial position of the PCC Group in a much simpler way by comparing actual spending in the year with the budget (i.e. the grant funding from central government plus council tax income).

It is important to note that these accounts can only be produced if there is a well-defined governance framework, a robust control environment with tested

financial systems and timely and accurate processes.

The resulting transactions and accounting entries are then audited by an independent external auditor (EY LLP), and in this way members of the public can take assurance that there has been proper use of public money and value for money.

There are also some important notes, including notes on the levels of usable reserves, potential contingent liabilities, provisions, employees' remuneration and council tax.

These accounts have had to be prepared to a deadline and this would not have been possible without the hard work and dedication of the finance team and other staff across the Constabulary and Office of the Police and Crime Commissioner – I express my gratitude to them all.

**Mark Stokes**

**Acting Police and Crime Commissioner for Norfolk**

## Narrative Report by the Chief Finance Officer

### Introduction

This Narrative Report provides information about the Office of the Police and Crime Commissioner for Norfolk and the PCC Group, including the key issues affecting the Group and its accounts. It also provides a summary of the financial position at 31 March 2026 and is structured as below:

1. The policing context for Norfolk
2. Impact of the governance arrangements on the financial statements of the PCC and Chief Constable
3. Explanation of financial statements
4. The 2025/26 revenue and capital budget process
5. Financial performance
6. Non-financial performance
7. Funding settlement 2026/27 and beyond

### 1. The policing context for Norfolk

#### Information about the Office of the Police and Crime Commissioner for Norfolk

Under the Police Reform and Social Responsibility Act 2011 (the Act) the Police and Crime Commissioner for Norfolk (PCC) and the Chief Constable (CC) for Norfolk Constabulary were established as separate legal entities. Corporate governance arrangements for the PCC and Chief Constable have been reviewed and a commentary on their effectiveness is set out in the joint Annual Governance Statement for the PCC and Chief Constable which is published alongside these Statements of Accounts.

The responsibilities of the PCC, determined by the Act, include:

- Setting objectives for tackling crime and disorder in Norfolk through a Police and Crime Plan
- Ensuring Norfolk has an efficient and effective police force and holding the Chief Constable to account for running the force
- Setting Norfolk's policing priorities

- Setting the budget for policing the county and the level of the precept (council tax)
- Bringing together Norfolk's community safety and criminal justice partners to make sure local priorities are joined up
- Commissioning services which contribute to the objectives within the Police and Crime Plan, and
- Providing support services for victims and witnesses of crime.

For accounting purposes, the PCC for Norfolk is the parent entity of the Chief Constable of Norfolk and together they form the PCC for Norfolk Group.

The Revenue Budget and Capital Programme for 2025/26 were approved in February 2025.

The PCC is accountable to the Norfolk Police and Crime Panel which scrutinises the actions and decisions of the PCC. Formal public meetings between the PCC and the Chief Constable are held every quarter. An independent Audit Committee has also been established in accordance with recommendations from the Home Office and CIPFA.

#### The County of Norfolk

Norfolk is the fifth largest county in England with a land area of 2,074 square miles with approximately 100 miles of coastline. Most of Norfolk's land area is classed as rural and is reflected by the Police and Crime Plan priority to tackle crime within rural communities. Although predominantly rural, just over half of the population lives in an urban area (mid-2019 estimates). The four main urban areas are Norwich, Great Yarmouth, King's Lynn and Thetford.

The population of Norfolk in 2024 was 940,359 (source: Norfolk Insight) and Norfolk has an older age profile than England as a whole. Approximately 25% of the population in Norfolk are aged 65 and older compared with less than 19% in England (source: Norfolk Insight), by 2047 it is expected that those aged over 65 will account for over 30%.

Norfolk is a popular tourist destination and following the pandemic, visitor numbers have returned to and slightly exceeded pre-pandemic levels. In 2024, the county received approximately 3.16 million overnight visitors and 47.2 million day trips were made. Norfolk's visitor economy in 2024 was valued at around

£3.6bn, compared with approximately £3.4bn in 2022, while tourism supports around 68,000 jobs (or around 54,000 full-time equivalent roles). These figures indicate a stable and resilient visitor economy, with modest growth in staying visitors and overall value. (source: Economic Impact of Tourism Norfolk 2024).

Norfolk Constabulary supports hundreds of events throughout the year, including Norwich City football matches, Norwich Pride and numerous local carnivals and occasions.

There are extensive areas of flood risk within the county, particularly in Great Yarmouth, the Norfolk Broads, parts of Norwich along the River Yare, and coastal areas of North Norfolk and King's Lynn. Much of the Broads, Fens and coastal zone lie within Environment Agency Flood Zones 2 and 3 (medium to high risk) (source: [norfolklivingguide.co.uk](http://norfolklivingguide.co.uk)), and over 1,600 properties have experienced flooding since 2011 (source: [Norfolk.gov.uk](http://Norfolk.gov.uk) flood reports map). Coastal erosion also presents an ongoing risk in some locations and has already resulted in property loss.

The road network in Norfolk primarily comprises A and B roads with no motorways. Key routes such as the A11 and A47 provide the main connections, but the largely rural road network can present challenges for connectivity and road safety. 'Safer roads for all' is a priority within the PCC's Police and Crime Plan.

### **Collaboration and partnership working**

The Police Reform and Social Responsibility Act 2011 places duties on chief officers and policing bodies to keep collaboration activities under review and to collaborate where it is in the interests of the efficiency and effectiveness of their own and other police force areas.

Norfolk Constabulary's preferred partner for collaboration is Suffolk Constabulary. A joint strategy exists which outlines the collaborative vision for Norfolk and Suffolk and provides a strategic framework within which collaborative opportunities are progressed.

The two police forces have been collaborating for over a decade, with the programme of collaborative work delivering an extensive number of joint units and departments that encompasses most functions except local policing and

includes areas such as major investigation, protective services, custody, and enabling support functions. The partnership has also yielded significant savings for both forces and received praise from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

Areas of collaboration outside of Norfolk/Suffolk include the Eastern Region Special Operations Unit (ERSOU), a specialist unit with a remit for tackling serious and organised crime in the Eastern Region. ERSOU comprises resources from the following police forces: Norfolk, Suffolk, Essex, Cambridgeshire, Bedfordshire, Hertfordshire and Kent.

In January 2020 a 7Force Commercial Services team was implemented and is now overseeing all procurement activity across the seven forces, making sure all opportunities for savings and efficiencies are exploited. There is also the Eastern Region Innovation Network (ERIN) that continues to review areas for wider convergence and collaboration as well as completing some significant multi-force projects.

Norfolk is also part of a well-established 10 force consortium for insurance known as the Southeast and Eastern Regional Police Insurance Consortium (SEERPIC).

The Policing and Crime Act 2017 received Royal Assent on 31 January 2017. The Act includes a duty, in England, for emergency services to collaborate. It also gives enabling powers for PCCs in England to take responsibility for the governance of their local fire and rescue services.

Norfolk Constabulary and Norfolk Fire and Rescue Service continue to strengthen their working relationship with individual governance currently subject to further decisions on Devolution covered later in this report.

The Norfolk Office of the PCC and Norfolk Constabulary is committed to working in partnership with public, private and third sector agencies to tackle issues of crime and disorder. This is demonstrated through roles in critical partnership initiatives such as the Community Safety Partnership, Norfolk 180 and Early Help Hubs. Norfolk Constabulary is committed to finding long term sustainable solutions to problems of crime and disorder, working together with partners and the communities in an evidence-based problem-solving way and supporting innovation at a local level.

## **PCC Grants and Commissioning**

The PCC has responsibility to commission services on behalf of the Ministry of Justice specifically for victims of crime within the county, which includes specialist services for victims of domestic abuse and sexual violence.

In addition to the Ministry of Justice responsibility the Commissioning Directorate also has responsibility for the Community Safety Partnership under the chairmanship of the OPCCN Chief Executive.

The Norfolk Integrated Domestic Abuse Service (NIDAS) was launched in 2022 to ensure provision of domestic abuse services across Norfolk. Funding for this service is through the OPCCN with local authority partners contributing.

Commissioning intentions are listed within the Police and Crime Plan and the Community Safety Plan. These highlight the PCC's intent to invest more into preventative strategies and intentions with a view to reducing offending and victimisation, reducing demand on police and the criminal justice system and protecting the people of Norfolk.

In 2025/26, the OPCCN had a total commissioning budget of £4.442m, comprising:

- OPCCN commissioning budget of £1.122m
- Ministry of Justice funding stream of £1.817m, specifically for the commissioning of support services for victims of crime
- Other Commissioning funding of £1.503m.

## **2. Impact of the Governance Arrangements on the Financial Statements of the PCC and Chief Constable**

The International Accounting Standards Board framework states that assets, liabilities and reserves should be recognised when it is probable that any 'future' economic benefits associated with the item(s) will flow to, or from, the entity. The PCC has responsibility for the finances of the whole Group and controls the assets, liabilities and reserves. With the exception of the liabilities for employment and post-employment benefits, referred to later, this suggests that these balances should be shown on the PCC's Balance Sheet.

The Scheme of Governance and Consent sets out the roles and responsibilities of the PCC and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents, all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

The PCC receives all income and makes all payments from the Police Fund for the Group and has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's staff operates. The PCC has not set up a separate bank account for the Chief Constable, which reflects the fact that all income is paid to the PCC. The PCC has not made arrangements for the carry forward of balances or for the Chief Constable to hold cash backed reserves.

Therefore, the Chief Constable fulfils his statutory responsibilities for delivering an efficient and effective police force within an annual budget, which is set by the PCC. The Chief Constable ultimately has a statutory responsibility for maintaining the King's peace and to do this has direction and control over the force's police officers and police staff. It is recognised that in exercising day-to-day direction and control the Chief Constable will undertake activities, incur expenditure and generate income to allow the police force to operate effectively. It is appropriate that a distinction is made between the financial impact of this day-to-day direction and control of the force and the overarching strategic control exercised by the PCC.

Therefore, the expenditure and income associated with day-to-day direction and control and the PCC's funding to support the Chief Constable is shown in the Chief Constable's Accounts, with the main sources of funding (i.e. central government grants and council tax) and the vast majority of balances being shown in the PCC's Accounts.

Notably it has been decided to recognise transactions in the Chief Constable's Comprehensive Income and Expenditure Statement (CIES) in respect of operational policing, police officer and staff costs, and associated operational income, whilst liabilities for employment and post-employment benefits have been transferred to the Chief Constable's Balance Sheet in accordance with

International Accounting Standard 19 (IAS19).

The rationale behind transferring the liability for employment benefits is that IAS19 states that the employment liabilities should follow employment costs. Because employment costs are shown in the Chief Constable's CIES, on the grounds that the Chief Constable is exercising day-to-day direction and control over police officers and employs police staff, it follows that the employment liabilities are therefore shown in the Chief Constable's Balance Sheet.

### 3. Explanation of financial statements

The 2025/26 Statement of Accounts for the Police and Crime Commissioner for Norfolk and the PCC Group are set out on the following pages. The purpose of individual primary statements is explained below:

- **The Comprehensive Income and Expenditure Statement (CIES)** 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. The PCC raised taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. Adjustments made between the accounting and funding bases are shown in the Movement in Reserves Statement.
- **The Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net liabilities of the Group (assets less liabilities) are matched by reserves, these include usable and unusable reserves. Usable reserves are those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). Unusable reserves include reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- **The Movement in Reserves Statement (MiRS)** shows the movement in the year on the different reserves held by the Group, analysed into

'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These differ from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Group.

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

Please note that occasionally minor differences occur between the primary statements and the notes to the accounts, this is due to unavoidable rounding discrepancies. The notes to the accounts are headed "Group" and "PCC" as appropriate. If only one table is included within a note, this relates to both the Group and the PCC.

### 4. The 2025/26 Revenue and Capital Budget Process

A joint financial planning process took place between June 2024 and January 2025 in accordance with an agreed timetable. An enhanced Service and Financial Planning process took place using Outcome Based Budgeting (OBB) principles.

OBB is a method for aligning budgets to demand, performance, outcomes and priorities. This process is informed by the Force Management Statement that

reviews the services provided by the Constabulary, estimates future demand, and assesses the readiness of each function to meet that demand and deliver on required outcomes and performance levels. This information is then lined up against the priorities and demands of the PCC. This allows projects to be developed to target areas that can be made more efficient, and those areas requiring more investment.

These outcomes were then reviewed by a Joint Chief Officer Panel against the OBB principles and recommendations were developed for appropriate investment, efficiencies and savings.

These recommendations were then presented to the Joint Chief Officer Team, and further refined after these sessions. Finally, the outcomes of the process were presented to the PCC for review and challenge. The process concluded with agreement on Norfolk only budgets, the agreement of joint budgets, costs and savings arising from the process to be included in spending plans.

In accordance with the requirements of Section 96 (1) (b) of the Police Act 1996, as amended by section 14 of the Police Reform and Social Responsibility Act 2011, the PCC has an obligation to consult with business rate payers and there is also a general responsibility to consult with the public.

The PCC launched the consultation for the 2025/26 police budget which ran for a number of weeks. The consultation included an online and hard copy survey and an intensive programme of media, communications and engagement activity.

The results were collated towards the end of January 2025 and presented by the PCC to the Police and Crime Panel at its meeting on 4 February 2025.

These spending plans were then incorporated into the Medium-Term Financial Plan of the PCC that covered the period 2025/26 to 2028/29 and was signed off in February 2025.

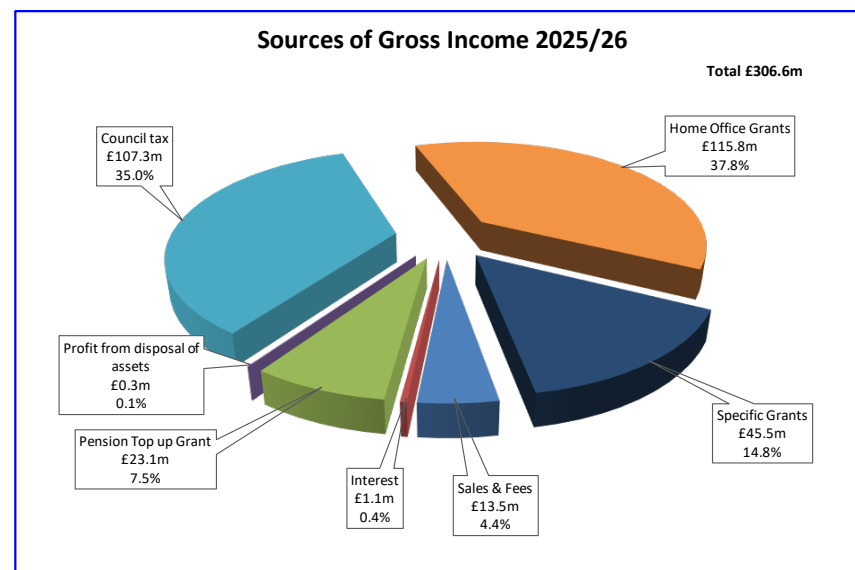
The Medium-Term Financial Plans for the PCC are available at [www.norfolk-pcc.gov.uk](http://www.norfolk-pcc.gov.uk)

## 5. Financial Performance

### Sources of Funding

The majority of police funding comes from the Government (Home Office and Ministry of Justice) in the form of general and specific grants. The remainder comes from council tax and fees and charges. The financing burden on local council taxpayers, as a percentage of funding, has steadily increased as Government grants have reduced.

The chart below shows the sources of revenue funding in 2025/26:



### Revenue Budget

In February 2025, the PCC approved a net revenue budget for 2025/26 of £222.926m. The revenue budget was enhanced by the PCC's decision to increase the policing element of council tax for a Band D property by £14. This stood at £329.85 for 2025/26 (£315.90 2024/25).

## **Savings Plans**

The Chief Constable has run a well-established and effective change programme over recent years. The programme is required to deal with the impact of funding settlements, spending challenges from inflation, increasing demand, the changing nature of crime, increasing legislative and regulatory cost pressures and ongoing investment in modernising the Constabulary through improved digital infrastructure and technology. Savings plans of £4.5m were identified for 2025/26, and those savings have been achieved. The PCC and Chief Constable are jointly committed to providing the best possible policing service across Norfolk whilst at the same time increasing efficiency and reducing costs.

There is more information about the impact of the Home Office settlement for 2026/27 and what this means for the Constabulary over the medium term in the Looking Forward section below.

## Revenue Expenditure Compared to Budget

	Budget	Final	Variance
	£000	outturn £000	£000
Constabulary (net after transfer to reserves)	249,662	247,129	2,533
Office of the PCC	1,898	1,729	169
PCC Commissioning	1,122	1,102	20
OPCC - Grants	(29,686)	(29,653)	(33)
Net total contributions to / (from) earmarked reserves	(350)	2,339	(2,689)
<b>Total Net Expenditure</b>	<b>222,646</b>	<b>222,646</b>	<b>-</b>
Grants and non-domestic rates income	115,480	115,480	-
Precept income	107,446	107,446	-
<b>Transfer from/(to) General reserves</b>	<b>(280)</b>	<b>(280)</b>	<b>-</b>

For budgeting purposes, the Revenue Budget is compiled and controlled as set out in the adjacent table.

2024/25		2025/26
£000		£000
Restated		
211,126	<b>Total Net Expenditure per Outturn Report</b>	222,646
(4,477)	Revenue funding of capital	(4,576)
(3,768)	Minimum Revenue Provision (MRP)	(3,088)
10,340	Depreciation, amortisation and impairments	7,732
(0)	Profit and loss on disposal of assets charged to the general fund	0
22,565	IAS 19 pension service costs (accounting basis)	15,729
(41,264)	Pension contributions (funding basis)	(42,284)
(92)	Movement on compensated absences accrual	107
853	Transfers from / (to) reserves	(2,971)
1,002	Interest received	1,127
(6,179)	Interest payable	(6,262)
<b>190,105</b>	<b>Net Cost of Police Services</b>	<b>188,160</b>

The Total Net Expenditure in the Revenue Budget table is different to the Net Cost of Services reported in the CIES (shown on page 15) which is prescribed by the Code.

The difference primarily relates to accounting adjustments required by the Code. The reconciliation between the two amounts is shown in the adjacent table.

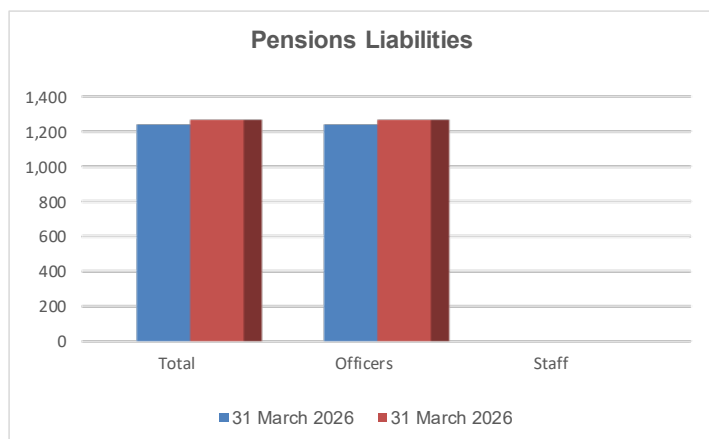
## Capital Budget

The Capital Programme for 2025/26, including slippage from 2024/25 and in-year approvals, was £8.365m. Actual expenditure against this total was £6.638m. The under-spend of £1.727m was primarily due to re-profiling of Estates schemes, ICT refresh and replacement programmes that are slipping into next financial year. Actual expenditure includes an amount of £0.217m relating to incidental and de-minimis expenditure, which is not capitalised in the financial statements but charged directly to the CIES. The Capital Programme was financed by government grants and contributions (£0.275m), revenue contributions (£4.576m), internal borrowing (£0.398m) and capital receipts (£1.172m).

## Long Term Liabilities

### Pension Liabilities

There are three separate pension schemes for police officers and one scheme for police staff. Although benefits from these schemes will not be payable until an officer or staff member retires, the PCC has a future commitment to make these payments and under International Accounting Standard 19 (IAS19), the PCC is required to account for this future commitment based on the full cost at the time of retirement. The future net pension liabilities of the PCC as calculated by an independent actuary are set out in the following chart:



These liabilities result in the Balance Sheet showing net overall liabilities of £1,200m at 31 March 2026, however, the financial position of the PCC remains sound as these liabilities will be spread over many years.

The value of the LGPS pension fund assets is calculated by the actuary as part of the formal triennial valuation process, and rolled forward to the balance sheet date, allowing for any movements in the year. These movements include investment returns, which may be estimated where necessary.

### Public Finance Initiative (PFI) Liabilities

The PCC is committed to making payments under a contract with a consortium for the use of Jubilee House, Operations and Communications Centre at Wymondham (OCC) until 2037. The actual level of payments is dependent on the availability of the site and the provision and delivery of services within. The contract, which is for a period of 35 years starting from 2001, has an option to purchase the property at open market value, or to negotiate with the PFI provider to extend the contract for up to a further 2 periods of 15 years, or of terminating the contract. At the year-end the PFI liability associated with the OCC amounted to £20.1m.

Six Police Investigation Centres (PICs) were opened during 2011. The contract is under a PFI arrangement for which Suffolk and Norfolk PCCs are committed to making payments under a 30-year contract with a consortium for their use. The actual level of payments is dependent on the availability of the site and provision and delivery of services within. At the end of this term the properties revert to the two PCCs. Norfolk and Suffolk have agreed to share the costs of these services on an agreed percentage in accordance with the total number of cells within the 6 properties located in the two Counties - this being Norfolk 58.2% and Suffolk 41.8%. There is also an arrangement with the Cambridgeshire PCC by which one third of the running costs of the Kings Lynn PIC are recharged to Cambridgeshire for their use of the cells. At the year-end Norfolk PCC's share of the PIC PFI liability amounted to £27.9m.

## Reserves

As at 31 March 2026, the PCC has usable reserves of £20.319m which are available to support revenue and capital spending. These include a general reserve made up of earmarked balances of £14.491m (against which there are significant commitments), a general balance of £5.540m and unapplied capital grants of £0.288m. These reserves are not fully supported by cash balances, primarily due to capital expenditure in some prior years being financed from cash.

## Treasury Management

The PCC has agreed a Treasury Management Strategy which complies with CIPFA guidance. During 2025/26, the PCC continued to borrow and/or invest available cash balances in accordance with cash flow forecasts, ensuring that prescribed policies with regard to security and liquidity were observed. The average level of investments for 2025/26 (including instant access balances) was £28.7m and the interest received against the budget of £0.151m was £1.123m. The overall return of 3.91% was 0.10% lower than the SONIA average of 4.01%.

## Annual Governance Statement

The Accounts and Audit Regulations 2015 require the Annual Governance Statement (AGS) to accompany the Statements of Accounts. The AGS can be found on the PCC's website at [www.norfolk-pcc.gov.uk](http://www.norfolk-pcc.gov.uk)

## 6. Non-Financial Performance

In the 12 months to the end of March 2026 there were 57,686 recorded crimes, a decrease of 7% compared with the long-term average (62,004). There have been small variances in volumes across most crime types from 2024/25 to 2025/26. Considerable efforts continue to be made by officers and staff to encourage reporting from victims of 'hidden' crimes, and those from parts of the community which have not normally reported crime frequently. In addition, investments made by the Constabulary to ensure crime is recorded as accurately as possible continue to support our understanding of demand. Central to this is confidence that the Constabulary will identify and record such criminality accurately and ethically. The investment made to strengthen this approach has been recognised by HMICFRS in previous inspections, with the Constabulary's

crime recording practices assessed as 'Outstanding' at its most recent inspection in 2024.

The Constabulary continues to prioritise services to the vulnerable and at-risk victims, target perpetrators who cause the highest harm, and implement robust operational responses to the threat of 'county lines' organised crime groups. In addition, the Constabulary is tackling modern slavery and focusing on sexual crimes against adults and children. Collaborations with Suffolk Constabulary, the regional special operations unit (ERSOU), ERIN and other Norfolk agencies and voluntary organisations, and investments in modern technologies such as automated number plate recognition, *Rapid Video Response*, drones, mobile computing devices and body worn video cameras are critical parts of these responses.

Norfolk remains one of the top performing Constabularies for solving crime. The solved rate has increased to 22.1% as at March 2026. In addition, workloads of officers in terms of the live investigations they are carrying has reduced enabling greater time for engagement, visibility and problem solving.

The following table shows the year-end position for some of the more easily available Police and Crime Plan key performance indicators where prior year data is available. Further details will be published in the PCC's Annual Report in the autumn.

Area	Indicator	2023/24	2024/25	2025/26
Domestic Abuse	<i>Number of crimes</i>	10,739	10,898	10,726
	<i>Solved rate</i>	12%	12.0%	13.0%
Serious Sexual Offences	<i>Number of crimes</i>	2,420	2,409	2,518
	<i>Solved rate</i>	8%	10.3%	10.8%
Child Sexual Abuse	<i>Number of crimes</i>	1,281	1,174	1,081
	<i>Solved rate</i>	14%	19.9%	19.2%

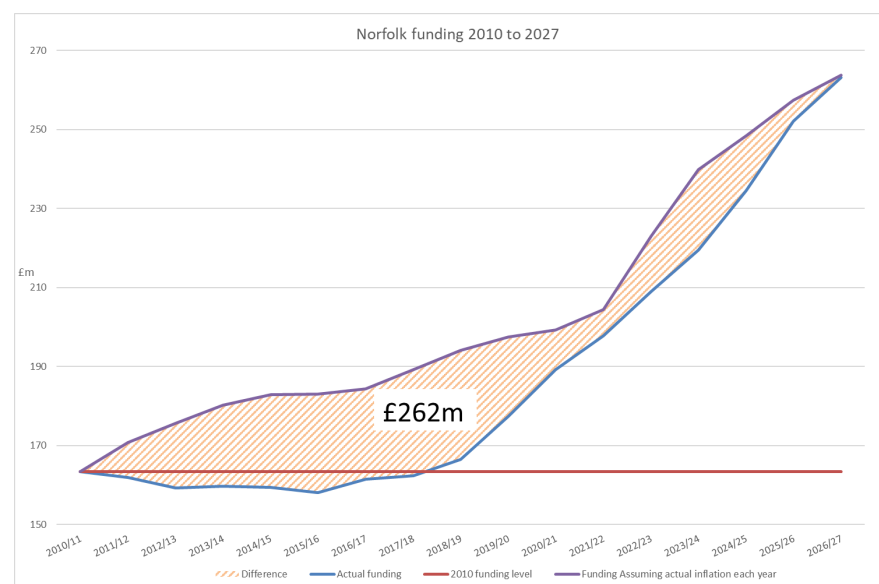
<b>Hate Crime</b>	<i>Number of crimes</i>	922	921	960
	<i>Solved rate</i>	23%	19.8%	24.2%
<b>Online Crime</b>	<i>Number of crimes</i>	2,137	2,077	2,103
	<i>Solved rate</i>	12%	15.5%	17.5%
<b>Neighbourhood Crime</b>	<i>Number of crimes</i>	8,809	8,762	8,137
	<i>Solved rate</i>	13%	13.5%	13.3%
<b>Violence With Injury</b>	<i>Number of crimes</i>	8,196	7,707	7,761
	<i>Solved rate</i>	18%	19.6%	19.6%
<b>Call Handling</b>	<i>% 999 calls answered in 10 seconds</i>	92%	89.3%	88.5%
<b>Emergency Response</b>	<i>% of emergencies responded to in target time</i>	83%	80.8%	80.0%
<b>Road Safety</b>	<i>Number of KSI collisions</i>	448	493	504

Demands on the Constabulary have changed in nature in recent years. The Force continues to prioritise responding to emergencies, alongside focusing on the most harmful crime types and community priorities such as rural crime. Sustained pressure on the Force's Control Room has led to a slight decline in emergency call handling and response performance over the year. This is likely linked to increased call volumes across two consecutive years. In response, a range of resourcing and technical solutions are being rapidly explored. Encouragingly, a similar focus has already led to improvements, with a reduction in the number of 101 callers abandoning calls while waiting to be answered.

## 7. Funding Settlement 2026/27 and beyond

Public sector funding has been constrained since 2010 and that has been no different for the police service. The chart below shows the impact of funding set against rises in inflation since 2010/11. The straight (red) line shows the level of funding at 2010/11 across all years as a baseline. The lower (blue) line of shape shows actual direct funding received by the constabulary from the main Home Office grant, precept from households in Norfolk plus all specific grants. The upper (purple) shaped line represents the level the funding would have been if in line with actual levels of inflation.

While the funding gap was closing through the national Uplift programme, recent levels of inflation have seen the constabulary funding once again falling behind in real terms. Since 2010/11 the constabulary has had to absorb £262m of inflationary pressures.



It should be noted, that within this context, His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) has previously rated Norfolk as Outstanding in terms of Good Use of Resources (the top rating achievable) in the force’s Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection.

In the last round of inspections, the HMICFRS no longer makes a judgement on Good Use of Resources but incorporates financial planning into a much wider assessment of Leadership and Management. In their assessment in 2024 this was judged to be Adequate, but it made specific reference to the fact that “The constabulary’s financial plans are affordable and will help it make further improvements in performance...The constabulary has an effective approach to financial management and uses an outcome-based budgeting model to help set its budgets. The forecasts within the medium-term financial plan are based on realistic assumptions about future funding and planned expenditure”

During 2025/26, the Constabulary has also undertaken significant preparatory work for the next PEEL inspection. The evidence collection window opened in February 2026, with final fieldwork scheduled for February 2027.

### 2026/27 settlement

The table below represents the increase in government funding between 2025/26 and 2026/27.

The most significant change is the removal of the police officer Uplift grant. The Ringfenced Grant (Uplift) supported Norfolk’s baseline share (224) of the additional 20,000 police officers introduced by the previous government and maintained by the current government for 2025/26.

The Additional Recruitment (Uplift) grant was paid to forces that took on further officer numbers to make up for the shortfall in recruitment by the Met Police. Norfolk volunteered to take on 45 additional officers above the 224 baseline.

Nationally forces had called for the removal of the Uplift target as this was causing unintended consequences with officers being put into non-visible police staff roles (such as the control room) due to the ongoing pressure to make cash savings that could only be made from police staff posts.

The removal of the overall Uplift target is therefore welcome as forces can now make their own decisions on workforce mix between officers and staff based on the need for warranted powers, skills requirements and local need rather than purely on maintaining an arbitrary number of police officers.

However, former Uplift funding has now been redistributed into Police Core Grant. Forces (such as Norfolk) that volunteered to take on the additional recruitment targets to make up for the Met Police shortfall above their Police Core Grant % share have now had a cliff edge removal of the Additional Recruitment (Uplift) grant. This grant has now been shared to all forces, even those that had previously not undertaken any additional recruitment. As a result, Norfolk has had the joint worst government grant increase in the country for 2026/27.

The government are now focussed on their manifesto pledge to increase Neighbourhood Policing numbers by 13,000 nationally. The Neighbourhood Policing Grant will support the increase in neighbourhood policing that Norfolk will need to deliver as part of that national requirement.

	2025/26	2026/27	Variance	
	£000	£000	£000	%
Police Core Grant	106,175	114,259	8,084	7.61
Ringfenced Grant (Uplift)	3,916	-	(3,916)	N/A
Additional Recruitment (Uplift)	2,371	-	(2,371)	N/A
Legacy Council Tax Grants	9,305	9,305	-	0
Pensions Grant	5,079	5,079	-	0
Neighbourhood Policing Grant	2,237	4,092	1,855	82.92
National Insurance Contribution Grant	3,224	3,190	(34)	0
<b>Total all Grants</b>	<b>132,307</b>	<b>135,925</b>	<b>3,618</b>	<b>2.73</b>

As part of the police settlement PCCs were given the flexibility to increase the precept by up to £15 per annum (19 pence per week at Band B / 29 pence at Band D) without the need to go to a referendum. Following a period of consultation with the public the PCC took the decision to raise the precept by the maximum allowed. By doing this, the PCC has been able to provide funding to balance the budget and reduce the impact on current levels of service in the face of significant cost pressures.

However, the detailed settlement for forces only outlined detail for 2026/27. This leaves some uncertainty on the financial detail going forward.

The Constabulary will shortly commence the process of the new round of strategic financial planning and will consult with the PCC throughout this process. There are no going concern issues as a result, as funding to police forces will continue, but there may be risks to the levels of service currently offered.

The PCC has published the Reserves Strategy and the Capital Strategy in the new MTFP for 2026/27 to 2029/30 and these can be found at the link below:

[Police budget and council tax | Norfolk PCC](#)

The financial, economic and operational uncertainties and challenges will require the PCC and Constabulary to keep financial planning assumptions under constant review, to ensure that the financial position remains stable into the long-term and that increased efficiency is kept at the heart of these developments. The PCC and Constabulary are well equipped to meet these challenges.

### Devolution

Following an initial announcement in February 2025, The UK Government undertook a consultation on establishing a Mayoral Strategic Authority (MSA) across Norfolk and Suffolk, with a single directly elected Mayor. As part of the proposed devolution deal, the statutory functions of the Police and Crime Commissioners (PCCs) for both counties would be transferred to the new Mayor.

The current timeline for implementation of the mayoral model is for there to be elections for the post in May 2028. The exact manner in which the statutory

duties pertaining to policing will be discharged through the English Devolution and Community Empowerment Bill that reached Royal Assent in April 2026. This governance change is anticipated to affect financial responsibilities, though the full details of the transfer mechanisms have yet to be outlined.

### **Government reforms and legislative changes**

There is a growing cumulative financial impact from new regulatory requirements and wider criminal justice reforms, which is absorbing capacity and incurring costs.

Alongside the unfunded costs of compliance with the Forensic Science Regulator's accreditation framework and significant costs relating to dangerous dogs, recent sentencing reforms aimed at addressing prison capacity pressures are expected to increase demand and cost on policing. Changes such as greater use of community-based sentences and early release arrangements are likely to result in additional operational activity for forces, with national policing leaders warning of potentially significant, unfunded cost implications.

In the absence of additional funding, these are examples of pressures that represent a financial challenge within the Medium-Term Financial Plan, constraining the force's ability to manage demand within existing resources and reducing the scope to deliver planned efficiencies.

### **Police reform**

The 2026 Policing Reform White Paper sets out proposals for one of the largest restructurings of policing in decades, including creating a National Police Service, reducing fragmentation by reviewing the number of forces, and introducing stronger national standards and performance frameworks. These changes are intended to address challenges such as complex and cross-border crime, inconsistent performance, and declining public confidence, while restoring neighbourhood policing and improving use of data and technology.

Alongside structural reform, legislation such as the Crime and Policing Act 2026 has expanded police powers and tools to tackle threats like serious violence, anti-social behaviour, and online crime. Overall, the current reform agenda

represents a shift toward a more centrally coordinated yet locally delivered policing model, aiming to combine national capability with community-based service delivery.

### **Macro-economic impact**

The global economic environment has remained highly volatile in recent years, driven by a succession of major shocks. These include the COVID-19 pandemic, the United Kingdom's exit from the European Union, and ongoing geopolitical instability, particularly arising from the conflict in Ukraine and wider tensions and conflict in the Middle East. These developments have contributed to sustained pressures on energy prices, supply chains and global trade.

More recently, economic uncertainty has been further heightened by the introduction of U.S. tariffs and a broader shift towards protectionist trade policies. This has increased trade friction and reduced global economic momentum, with growth across most major economies, including the UK, remaining subdued.

Inflation rose sharply during 2021–2022, peaking at 11.1% in October 2022, driven primarily by global energy price shocks, supply chain disruption and strong post-pandemic demand.

Since this peak, inflation has fallen significantly and has moved closer to the Bank of England's 2% target, although it has remained subject to volatility due to energy prices and wider global factors.

In response to the period of elevated inflation, the Bank of England increased the base interest rate progressively through 2022 and 2023, reaching a peak of 5.25%, its highest level since 2008. As inflationary pressures began to ease during 2024 and into 2025, the Bank adopted a more gradual and cautious approach to monetary easing, reducing interest rates in stages, including a reduction to 4.25% in May 2025.

Despite the easing of inflation and a shift towards lower interest rates, the economic outlook remains uncertain. Growth prospects continue to be constrained by ongoing geopolitical risks, including developments in the Middle East, as well as continued uncertainty around global trade policy and inflation dynamics

**Simon George, BA, MSc, ACMA, CPFA**

**Chief Finance Officer**

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

2024/25			2025/26		
Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure
2024/25	2024/25	2024/25	2025/26	2025/26	2025/26
£000	£000	£000	£000	£000	£000
<b>Division of service:</b>					
225,554	(35,533)	190,021	230,740	(35,472)	195,268
14,064	(15,991)	(1,927)	11,517	(20,234)	(8,717)
5,437	(3,426)	2,011	4,903	(3,295)	1,609
<b>245,055</b>	<b>(54,951)</b>	<b>190,105</b>	<b>247,161</b>	<b>(59,001)</b>	<b>188,160</b>
<b>Net cost of police services</b>					
<b>Other operating expenditure:</b>					
-	(20,369)	(20,369)	(i)	-	(23,093)
106	-	106		-	(299)
<b>106</b>	<b>(20,369)</b>	<b>(20,263)</b>		<b>(23,391)</b>	<b>(23,391)</b>
<b>Financing and investment income and expenditure:</b>					
6,179	-	6,179		6,262	-
65,792	-	65,792	16	70,176	-
-	(1,002)	(1,002)		-	(1,127)
<b>71,971</b>	<b>(1,002)</b>	<b>70,969</b>		<b>76,438</b>	<b>(1,127)</b>
<b>Taxation and non-specific grant income:</b>					
-	(76,366)	(76,366)	7	-	(78,849)
-	(4)	(4)		-	(286)
-	(35,322)	(35,322)	7	-	(36,631)
-	(100,050)	(100,050)	11	-	(107,793)
-	<b>(211,742)</b>	<b>(211,742)</b>		-	<b>(223,559)</b>
	<b>29,069</b>				<b>16,521</b>
<b>Deficit / (surplus) on the provision of services</b>					
<b>Other comprehensive income and expenditure:</b>					
	(12,925)		13		(3,342)
	(163,800)		16		(47,190)
	<b>(176,725)</b>				<b>(50,532)</b>
	<b>(147,656)</b>				<b>(34,010)</b>
<b>Total comprehensive income and expenditure</b>			<b>(34,010)</b>		

(i) Details within the Police Pension Fund Account Statement

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

Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
2024/25	2024/25	2024/25		2025/26	2025/26	2025/26
£000	£000	£000	Note	£000	£000	£000
<b>Division of service:</b>						
14,064	(15,991)	(1,927)		11,517	(20,234)	(8,717)
5,437	(3,426)	2,011		4,903	(3,295)	1,609
<b>19,501</b>	<b>(19,418)</b>	<b>83</b>		<b>16,421</b>	<b>(23,529)</b>	<b>(7,108)</b>
229,105	-	229,105	5	244,669	-	244,669
<b>248,606</b>	<b>(19,418)</b>	<b>229,189</b>		<b>261,090</b>	<b>(23,529)</b>	<b>237,561</b>
<b>Other operating expenditure:</b>						
-	(20,369)	(20,369)	(i)	-	(23,093)	(23,093)
106	-	106		-	(299)	(299)
<b>106</b>	<b>(20,369)</b>	<b>(20,263)</b>		<b>-</b>	<b>(23,391)</b>	<b>(23,391)</b>
<b>Financing and investment income and expenditure:</b>						
6,179	-	6,179		6,262	-	6,262
(1)	-	(1)	16	(4)	-	(4)
-	(1,002)	(1,002)		-	(1,127)	(1,127)
<b>6,178</b>	<b>(1,002)</b>	<b>5,176</b>		<b>6,258</b>	<b>(1,127)</b>	<b>5,132</b>
<b>Taxation and non-specific grant income:</b>						
-	(76,366)	(76,366)	7	-	(78,849)	(78,849)
-	(4)	(4)		-	(286)	(286)
-	(35,322)	(35,322)	7	-	(36,631)	(36,631)
-	(100,050)	(100,050)	11	-	(107,793)	(107,793)
<b>-</b>	<b>(211,742)</b>	<b>(211,742)</b>		<b>-</b>	<b>(223,559)</b>	<b>(223,559)</b>
	<b>2,360</b>					<b>(4,258)</b>
<b>Deficit / (surplus) on the provision of services</b>						
<b>Other comprehensive income and expenditure:</b>						
	(12,925)		13			(3,342)
	76		16			142
	<b>(12,849)</b>					<b>(3,200)</b>
	<b>(10,489)</b>					<b>(7,457)</b>
<b>Total comprehensive income and expenditure</b>						

## Balance Sheet for the PCC for Norfolk Group and the PCC for Norfolk as at 31 March 2026

Group 31 March 2025 £000	PCC 31 March 2025 £000		Notes	Group 31 March 2026 £000	PCC 31 March 2026 £000
117,222	117,222	Property, plant and equipment	13	118,703	118,703
2,169	2,169	Intangible assets	13	2,803	2,803
1,119	1,119	Right of use assets (ROU)	25	897	897
<b>120,511</b>	<b>120,511</b>	<b>Total long-term assets</b>		<b>122,403</b>	<b>122,403</b>
821	821	Inventories		750	750
24,154	24,154	Short-term debtors, prepayments & deferred costs	17	25,828	25,828
14,392	14,392	Cash and cash equivalents	18	8,796	8,796
1,242	1,242	Assets held for sale	19	657	657
<b>40,608</b>	<b>40,608</b>	<b>Current assets</b>		<b>36,030</b>	<b>36,030</b>
<b>161,119</b>	<b>161,119</b>	<b>TOTAL ASSETS</b>		<b>158,433</b>	<b>158,433</b>
(25,302)	(23,881)	Short-term creditors and accruals	20	(28,522)	(26,993)
(11,451)	(11,451)	Short-term borrowing	22	(11,891)	(11,891)
(2,705)	(2,705)	Provisions	24	(2,543)	(2,543)
(49)	(49)	Short-term grants receipts in advance		(49)	(49)
(217)	(217)	ROU lease liabilities	25	(185)	(185)
(1,610)	(1,610)	PFI liabilities	15	(1,646)	(1,646)
<b>(41,335)</b>	<b>(39,914)</b>	<b>Current liabilities</b>		<b>(44,837)</b>	<b>(43,308)</b>
(1,267,316)	-	Pension liability	16	(1,240,655)	-
(376)	(376)	Provisions	24	(343)	(343)
(36,901)	(36,901)	Long-term borrowing	22	(25,119)	(25,119)
(47,972)	(47,972)	PFI liabilities	15	(46,326)	(46,326)
(457)	(457)	ROU lease liabilities	25	(384)	(384)
(7)	(7)	Grants receipts in advance		(5)	(5)
<b>(1,353,030)</b>	<b>(85,714)</b>	<b>Long-term liabilities</b>		<b>(1,312,832)</b>	<b>(72,177)</b>
<b>(1,394,365)</b>	<b>(125,627)</b>	<b>TOTAL LIABILITIES</b>		<b>(1,357,669)</b>	<b>(115,485)</b>
<b>(1,233,246)</b>	<b>35,492</b>	<b>NET ASSETS / (LIABILITIES)</b>		<b>(1,199,236)</b>	<b>42,949</b>
17,057	17,057	Usable reserves	(ii)	20,319	20,319
(1,250,303)	18,436	Unusable reserves	27	(1,219,555)	22,630
<b>(1,233,246)</b>	<b>35,492</b>	<b>TOTAL RESERVES</b>		<b>(1,199,236)</b>	<b>42,949</b>

(ii) Details within the Movement in Reserves Statement

These unaudited statements were issued on  
26 June 2026



Simon George, BA (Hons), MSc, ACMA, CPFA

Chief Finance Officer

26 June 2026

## Movement in Reserves Statement for the PCC for Norfolk Group

		General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	Note	£000	£000	£000	£000	£000	£000
<b>Year Ended 31 March 2026</b>							
<b>Balance at 1 April 2025</b>		<b>16,781</b>	-	<b>277</b>	<b>17,057</b>	<b>(1,250,303)</b>	<b>(1,233,248)</b>
<b>Movement in reserves during 2025/26</b>							
Surplus or (deficit) on provision of services (accounting basis)	(iii)	(16,521)	-	-	(16,521)	-	(16,521)
Other comprehensive income and expenditure	(iii)	-	-	-	-	50,532	50,532
<b>Total comprehensive income and expenditure</b>		<b>(16,521)</b>	-	-	<b>(16,521)</b>	<b>50,532</b>	<b>34,010</b>
Amortisation of intangible assets	13	71	-	-	71	(71)	-
Depreciation on property, plant and equipment and ROU assets	13 & 25	7,588	-	-	7,588	(7,588)	-
Revaluation losses on property, plant and equipment	13	73	-	-	73	(73)	-
Capital grants and contributions credited to the CIES	(iii)	(286)	-	286	-	-	-
Application of capital grants from unapplied account		-	-	(275)	(275)	275	-
Net gain or loss on the sale of non-current assets	(iii)	(299)	1,172	-	873	(873)	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		43,621	-	-	43,621	(43,621)	-
Movement on the Collection Fund Adjustment Account		(347)	-	-	(347)	347	-
Capital expenditure charged to the General Fund Balance	14	(4,576)	-	-	(4,576)	4,576	-
Statutory provision for the repayment of debt	14	(3,088)	-	-	(3,088)	3,088	-
Contribution to the Police Pension Fund	(iii)	(23,093)	-	-	(23,093)	23,093	-
Movement on the Compensated Absences Account		107	-	-	107	(107)	-
Use of capital receipts to fund asset purchases		-	(1,172)	-	(1,172)	1,172	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>19,772</b>	-	<b>11</b>	<b>19,783</b>	<b>(19,783)</b>	-
<b>Increase / (decrease) in year</b>		<b>3,251</b>	-	<b>11</b>	<b>3,262</b>	<b>30,748</b>	<b>34,010</b>
<b>Balance at 31 March 2026</b>		<b>20,031</b>	-	<b>288</b>	<b>20,319</b>	<b>(1,219,555)</b>	<b>(1,199,239)</b>

(iii) Details within the Comprehensive Income and Expenditure Statement

		General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Restated	Total Usable Reserves	Total Unusable Reserves Restated	Total Reserves
Year Ended 31 March 2025	Note	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2024</b>		<b>17,363</b>	-	<b>341</b>	<b>17,704</b>	<b>(1,398,606)</b>	<b>(1,380,902)</b>
<b>Movement in reserves during 2024/25</b>							
Surplus or (deficit) on provision of services (accounting basis)	(iii)	(29,069)	-	-	<b>(29,069)</b>	-	<b>(29,069)</b>
Other comprehensive income and expenditure	(iii)	-	-	-	-	<b>176,725</b>	<b>176,725</b>
<b>Total comprehensive income and expenditure</b>		<b>(29,069)</b>	-	-	<b>(29,069)</b>	<b>176,725</b>	<b>147,656</b>
Amortisation of intangible assets	13	728	-	-	<b>728</b>	<b>(728)</b>	-
Depreciation on property, plant and equipment and ROU assets	13 & 25	7,970	-	-	<b>7,970</b>	<b>(7,970)</b>	-
Revaluation losses on property, plant and equipment	13	1,643	-	-	<b>1,643</b>	<b>(1,643)</b>	-
Capital grants and contributions credited to the CIES	(iii)	(4)	-	4	-	-	-
Application of capital grants from unapplied account		-	-	(69)	<b>(69)</b>	<b>69</b>	-
Net gain or loss on the sale of non-current assets	(iii)	106	132	-	<b>238</b>	<b>(238)</b>	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		47,093	-	-	<b>47,093</b>	<b>(47,093)</b>	-
Movement on the Collection Fund Adjustment Account		(342)	-	-	<b>(342)</b>	<b>342</b>	-
Capital expenditure charged to the General Fund Balance	14	(4,477)	-	-	<b>(4,477)</b>	<b>4,477</b>	-
Statutory provision for the repayment of debt	14	(3,768)	-	-	<b>(3,768)</b>	<b>3,768</b>	-
Contribution to the Police Pension Fund	(iii)	(20,369)	-	-	<b>(20,369)</b>	<b>20,369</b>	-
Movement on the Compensated Absences Account		(92)	-	-	<b>(92)</b>	<b>92</b>	-
Use of capital receipts to fund asset purchases		-	(132)	-	<b>(132)</b>	<b>132</b>	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>28,486</b>	-	<b>(65)</b>	<b>28,422</b>	<b>(28,422)</b>	-
<b>Increase / (decrease) in year</b>		<b>(583)</b>	-	<b>(65)</b>	<b>(647)</b>	<b>148,303</b>	<b>147,654</b>
<b>Balance at 31 March 2025</b>		<b>16,781</b>	-	<b>277</b>	<b>17,057</b>	<b>(1,250,303)</b>	<b>(1,233,248)</b>

## Movement in Reserves Statement for the PCC for Norfolk

		General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	Note	£000	£000	£000	£000	£000	£000
<b>Year Ended 31 March 2026</b>							
<b>Balance at 1 April 2025</b>		<b>16,781</b>	-	<b>277</b>	<b>17,057</b>	<b>18,436</b>	<b>35,492</b>
<b>Movement in reserves during 2025/26</b>							
Surplus or (deficit) on provision of services (accounting basis)	(iii)	4,258	-	-	<b>4,258</b>	-	<b>4,258</b>
Other comprehensive income and expenditure	(iii)	-	-	-	-	<b>3,200</b>	<b>3,200</b>
<b>Total comprehensive income and expenditure</b>		<b>4,258</b>	-	-	<b>4,258</b>	<b>3,200</b>	<b>7,457</b>
Amortisation of intangible assets	13	71	-	-	<b>71</b>	<b>(71)</b>	-
Depreciation on property, plant and equipment and ROU assets	13 & 25	7,588	-	-	<b>7,588</b>	<b>(7,588)</b>	-
Revaluation losses on property, plant and equipment	13	73	-	-	<b>73</b>	<b>(73)</b>	-
Capital grants and contributions credited to the CIES	(iii)	(286)	-	286	-	-	-
Application of capital grants from unapplied account		-	-	(275)	<b>(275)</b>	<b>275</b>	-
Net gain or loss on the sale of non-current assets	(iii)	(299)	1,172	-	<b>873</b>	<b>(873)</b>	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		(142)	-	-	<b>(142)</b>	<b>142</b>	-
Movement on the Collection Fund Adjustment Account		(347)	-	-	<b>(347)</b>	<b>347</b>	-
Capital expenditure charged to the General Fund Balance	14	(4,576)	-	-	<b>(4,576)</b>	<b>4,576</b>	-
Statutory provision for the repayment of debt	14	(3,088)	-	-	<b>(3,088)</b>	<b>3,088</b>	-
Use of capital receipts to fund asset purchases		-	(1,172)	-	<b>(1,172)</b>	<b>1,172</b>	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>(1,006)</b>	-	<b>11</b>	<b>(995)</b>	<b>995</b>	-
<b>Increase / (decrease) in year</b>		<b>3,252</b>	-	<b>11</b>	<b>3,263</b>	<b>4,194</b>	<b>7,458</b>
<b>Balance at 31 March 2026</b>		<b>20,032</b>	-	<b>288</b>	<b>20,319</b>	<b>22,630</b>	<b>42,949</b>

		General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	Note	£000	£000	£000	£000	£000	£000
<b>Year Ended 31 March 2025</b>							
<b>Balance at 1 April 2024</b>		<b>17,361</b>	<b>-</b>	<b>341</b>	<b>17,704</b>	<b>7,301</b>	<b>25,005</b>
<b>Movement in reserves during 2024/25</b>							
Surplus or (deficit) on provision of services (accounting basis)	(iii)	(2,360)	-	-	(2,360)	-	(2,360)
Other comprehensive income and expenditure	(iii)	-	-	-	-	12,849	12,849
<b>Total comprehensive income and expenditure</b>		<b>(2,360)</b>	<b>-</b>	<b>-</b>	<b>(2,360)</b>	<b>12,849</b>	<b>10,489</b>
Amortisation of intangible assets	13	728	-	-	728	(728)	-
Depreciation on property, plant and equipment and ROU assets	13 & 25	7,970	-	-	7,970	(7,970)	-
Revaluation losses on property, plant and equipment	13	1,643	-	-	1,643	(1,643)	-
Capital grants and contributions credited to the CIES	(iii)	(4)	-	4	-	-	-
Application of capital grants from unapplied account		-	-	(69)	(69)	69	-
Net gain or loss on the sale of non-current assets	(iii)	106	132	-	238	(238)	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		(76)	-	-	(76)	76	-
Movement on the Collection Fund Adjustment Account		(342)	-	-	(342)	342	-
Capital expenditure charged to the General Fund Balance	14	(4,477)	-	-	(4,477)	4,477	-
Statutory provision for the repayment of debt	14	(3,768)	-	-	(3,768)	3,768	-
Use of capital receipts to fund asset purchases		-	(132)	-	(132)	132	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>1,778</b>	<b>-</b>	<b>(65)</b>	<b>1,714</b>	<b>(1,714)</b>	<b>-</b>
<b>Increase / (decrease) in year</b>		<b>(582)</b>	<b>-</b>	<b>(65)</b>	<b>(646)</b>	<b>11,135</b>	<b>10,490</b>
<b>Balance at 31 March 2025</b>		<b>16,781</b>	<b>-</b>	<b>277</b>	<b>17,057</b>	<b>18,436</b>	<b>35,492</b>

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

Group 2024/25 £000	PCC 2024/25 £000		Note	Group 2025/26 £000	PCC 2025/26 £000
(29,069)	(2,360)	<b>Net surplus/(deficit) on the provision of services</b>	(iii)	(16,521)	4,258
41,598	14,890	Adjustment for non cash or cash equivalent movements	21	28,423	7,645
(4)	(4)	Capital grants and contributions	(iii)	(286)	(286)
<b>12,525</b>	<b>12,526</b>	<b>Net cash flows from operating activities</b>		<b>11,615</b>	<b>11,616</b>
		<b>Investing activities</b>			
(11,726)	(11,726)	Purchase of non current assets		(5,604)	(5,604)
(30,000)	(30,000)	Purchase of short-term or long-term investments		(44,000)	(44,000)
132	132	Proceeds from the sale of non current assets		1,172	1,172
30,000	30,000	Proceeds from short-term or long-term investments		44,000	44,000
<b>(11,594)</b>	<b>(11,594)</b>	<b>Net cash flows from investing activities</b>		<b>(4,432)</b>	<b>(4,432)</b>
		<b>Financing activities</b>			
20,000	20,000	Cash receipts of short- and long-term borrowing		-	-
4	4	Other receipts from financing activities		286	286
(2,335)	(2,335)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on balance sheet PFI contracts		(1,831)	(1,831)
(10,318)	(10,318)	Repayments of short-term and long-term borrowing		(11,235)	(11,235)
<b>7,352</b>	<b>7,352</b>	<b>Net cash flows from financing activities</b>		<b>(12,780)</b>	<b>(12,780)</b>
<b>8,283</b>	<b>8,284</b>	<b>Net increase or (decrease) in cash and cash equivalents</b>		<b>(5,596)</b>	<b>(5,595)</b>
6,109	6,109	Cash and cash equivalents at the beginning of the reporting period	18	14,392	14,392
<b>14,392</b>	<b>14,392</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>18</b>	<b>8,796</b>	<b>8,796</b>

## Expenditure and Funding Analysis for the PCC for Norfolk Group

The Expenditure and Funding Analysis is a note to the Financial Statements, however it is positioned here as it provides a link from the figures reported in the Narrative Report to the CIES.

Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES 2024/25	Group Position	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES 2025/26
£000	£000	£000		£000	£000	£000
<b>Year ended 31 March</b>						
208,737	(18,716)	190,021	Constabulary	221,577	(26,309)	195,268
(12,193)	10,265	(1,927)	Office of the PCC	(16,310)	7,593	(8,717)
2,011	-	2,011	PCC commissioning	1,609	-	1,609
<b>198,555</b>	<b>(8,451)</b>	<b>190,105</b>	<b>Net cost of police services</b>	<b>206,876</b>	<b>(18,716)</b>	<b>188,160</b>
(197,973)	36,937	(161,036)	Other income and expenditure	(210,127)	38,488	(171,639)
<b>583</b>	<b>28,486</b>	<b>29,069</b>	<b>Deficit/(surplus) on the provision of services</b>	<b>(3,251)</b>	<b>19,772</b>	<b>16,521</b>
17,363			Opening general fund balance at 1 April	16,780		
(583)			Less deficit/ (surplus) on general fund in year	3,251		
<b>16,780</b>			<b>Closing general fund balance at 31 March</b>	<b>20,032</b>		

## Expenditure and Funding Analysis for the PCC for Norfolk

Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES 2024/25		Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES 2025/26
£000	£000	£000		£000	£000	£000
			<b>Office of the PCC</b>			
			<b>Year ended 31 March</b>			
(12,193)	10,265	(1,927)	Office of the PCC	(16,310)	7,593	(8,717)
2,011	-	2,011	PCC commissioning	1,609	-	1,609
229,105	-	229,105	Intra-group funding	244,669	-	244,669
<b>218,923</b>	<b>10,265</b>	<b>229,189</b>	<b>Net cost of police services</b>	<b>229,967</b>	<b>7,593</b>	<b>237,561</b>
(218,342)	(8,487)	(226,829)	Other income and expenditure	(233,219)	(8,599)	(241,819)
<b>582</b>	<b>1,778</b>	<b>2,360</b>	<b>Deficit/(surplus) on the provision of services</b>	<b>(3,252)</b>	<b>(1,006)</b>	<b>(4,258)</b>
17,363			Opening general fund balance at 1 April	16,780		
(582)			Less deficit/ (surplus) on general fund in year	3,252		
<b>16,780</b>			<b>Closing general fund balance at 31 March</b>	<b>20,032</b>		

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## 1. Accounting Policies

### General principles

The Statement of Accounts summarises the Group's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Group is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. Those practices primarily comprise the Code supported by International Financial Reporting Standards (IFRS).

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

### Cost recognition and intra-group adjustment

Refer to Note 5 for further details.

### Recognition of working capital

The Scheme of Governance and Consent sets out the roles and responsibilities of the Police and Crime Commissioner and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

### Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not in the financial period in which cash payments are made or received.

### Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### Debtors and creditors

Revenue and capital transactions are included in the accounts on an accruals basis. Where goods and services are ordered and delivered by the year-end, the actual or estimated value of the order is accrued. With the exception of purchasing system generated accruals, a de-minimis level of £1,000 is set for year-end accruals of purchase invoices, except where they relate to grant funded items, where no de-minimis is used. Other classes of accrual are reviewed to identify their magnitude. Where the inclusion or omission of an accrual would not have a material impact on the Statement of Accounts, either individually or cumulatively, it is omitted.

### Charges to the Comprehensive Income and Expenditure Statement (CIES) for Non-Current Assets

Net cost of policing of the PCC is debited with the following amounts to record the cost of holding non-current assets during the year:

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

The PCC is not required to raise council tax to fund depreciation, revaluation, impairment losses or amortisation. However, it is required to make an annual contribution from revenue, the Minimum Revenue Provision (MRP), towards the reduction in the overall borrowing requirement (represented by the Capital Financing Requirement) equal to an amount calculated on a prudent basis determined by the PCC in accordance with statutory guidance.

Depreciation, amortisation, and revaluation and impairment losses are reversed from the General Fund and charged to the Capital Adjustment Account via the Movement in Reserves Statement (MiRS). MRP is charged to the General Fund along with any Revenue Funding of Capital and credited to the Capital Adjustment Account via the MiRS.

Guidance issued under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 enables authorities to calculate an amount of MRP, which they consider to be prudent. For capital expenditure incurred from 2008/09, the PCC has approved calculating the MRP using the Option 3 method, which results in MRP being charged over the related assets' useful life.

## Property, plant and equipment

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

### Recognition

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

All expenditure on the acquisition, creation or enhancement and disposal of non-current assets is capitalised subject to a de-minimis threshold of £10,000. Expenditure below this amount on an individual asset is treated as revenue, with the following exceptions:

- Desktop and laptop computers and tablets
- Monitors
- Widespread replacement of communication devices
- Servers
- Software licences
- Radios
- Firearms including TASERS
- Vehicles with a life exceeding 12 months
- Annual Assets (projects incurring expenditure throughout the year which are not classified as assets under construction)
- Where government grant funding has been sought and received for specific expenditure on the assumption that both the grant and expenditure are treated as capital

### Measurement

Assets are initially measured at cost, comprising:

- The purchase price

- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Group does not capitalise borrowing costs incurred on the acquisition or construction of non-current assets.

The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Group). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Group.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the MIRS.

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

- Assets under construction – historic cost until the asset is live (assets under construction are not depreciated).
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
- Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

From 1 April 2025, the code requirements changed in respect of revaluations of property, plant and equipment. Where the Group does not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, the Group must revalue their assets every five years, with annual indexation applied to assets during the four intervening years.

Where the Group cannot obtain indices without undue cost or effort, the Group must revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

In determining whether to apply indexation in a given financial year, the Group assesses whether the impact of indexation for an asset class is material. Where the impact is assessed as *not material*, indexation need not be applied for that year. To support a proportionate and risk-based approach, the Group has set a quantitative materiality threshold of £2,500 per asset. Where the calculated indexation adjustment for the year is less than £2,500, the Group will not adjust the carrying amount of the relevant assets. This threshold is reviewed annually to ensure it remains appropriate. Where indexation is not applied because the annual movement is below £2,500, the Group reviews the cumulative impact of unadjusted indexation movements in subsequent years. If the cumulative movement becomes material, an adjustment will be applied in the year it becomes material.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for in the following way:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the net cost of policing of the PCC in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

#### Impairment

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

Where impairment losses are identified, they are accounted for in the following way:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### Depreciation

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

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant and equipment – straight-line allocation over the useful life of the asset.

The Code requires that where a property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately, where the remaining asset life is significantly different for identifiable components, unless it can be proved that the impact on the Group's Statement of Accounts is not material. The Group has assessed the cumulative impact of component accounting. As a result, the Group applies component accounting prospectively to assets that have a valuation in excess of £2m unless there is clear evidence that this would lead to a material misstatement in the Group's Financial Statements.

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 charged based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation or amortisation is charged in both the year of acquisition and disposal of an asset on a pro rata basis. Depreciation or amortisation is charged once an asset is in service and consuming economic benefit.

#### Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification, on the basis relevant to the asset class prior to reclassification, and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and are 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). Receipts are appropriated to the Reserve from the General Fund Balance in the MIRS.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MIRS.

#### **Fair Value Measurement**

The Group measures some of its non-financial assets such as surplus assets and investment properties at fair value on each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The Group measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Group takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Group's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

## **Intangible assets**

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Group will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase. Research expenditure is not capitalised.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the PCC or Group's services.

Intangible assets are measured initially at cost. Thereafter they are carried at cost less accumulated amortisation and any accumulated impairment loss.

The depreciable amount of a finite intangible asset is amortised over its useful life and charged to the net cost of policing of the PCC in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the net cost of policing of the PCC in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MIRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

## **Council Tax**

Billing authorities act as agents, collecting council tax on behalf of the major preceptors, which includes the PCC. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax. Under the legislative framework for the Collection Fund, billing authorities and major preceptors share proportionately the risks and rewards that the amount of council tax collected could be less or more than predicted.

The council tax income included in the CIES is the PCC's share of accrued income for the year. However, regulations determine the amount of council tax that must be included in the PCC's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the MIRS. The Balance Sheet includes the PCC's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

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

## **Employee benefits**

### Benefits payable during employment

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end. The accrual is made at the most recent wage and salary rates applicable.

### Termination benefits

Termination benefits are amounts payable as a result of a decision by the entity to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the entity to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Post-employment benefits

Officers have the option of joining the Police Pension Scheme 2015. Civilian employees have the option of joining the Local Government Pension Scheme (LGPS), administered by Norfolk County Council. All of the schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Constabulary and the Office of the Police and Crime Commissioner, and all of the schemes are accounted for as defined benefit schemes. There are also two legacy Police Pension Schemes (PPS 1987 and NPPS 2006) which are closed to new entrants but still pay benefits to existing retired and deferred members.

The liabilities attributable to the Group of all four schemes are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits (including injury benefits on the Police Schemes) earned to date by officers and employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current officers and employees.

Liabilities are discounted to their value at current prices, using a discount rate specified each year by the actuaries.

The assets of the LGPS attributable to the Group are included in the Balance Sheet at their fair value as follows:

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

All three of the police schemes are unfunded and therefore do not have any assets. Benefits are funded from the contributions made by currently serving officers and a notional employer's contribution paid from the general fund; any shortfall is partially topped up by a grant from the Home Office.

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

- Current service cost – the increase in liabilities as a result of years of service earned this year, it is debited to the net cost of policing in the CIES. The current service cost is based on the latest available actuarial valuation.

- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. Past service costs are debited to the net cost of policing in the CIES.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. It is charged to the Financing and Investment Income and Expenditure line in the CIES. The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. They are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the four pension funds – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amounts payable by the Group to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. This means that in the MIRS there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### Discretionary Benefits

The Group has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including injury awards for police officers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

The Group makes payments to police officers in relation to injury awards, and the expected injury awards for active members are valued on an actuarial basis.

### **Events after the reporting period**

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified.

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

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

### **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 CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

#### Financial Assets

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

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

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

#### Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost 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. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the PCC, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

#### Expected Credit Loss Model

The PCC recognises expected credit losses on all of its financial assets held at amortised cost, 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.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

## Government grants and contributions

All government grants are received in the name of the PCC. However, where grants and contributions are specific to expenditure incurred by the Chief Constable, they are recorded as income within the Chief Constable's accounts. Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Group when there is reasonable assurance that:

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

Amounts recognised as due to the Group are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

## Investment policy

The PCC works closely with its external treasury advisors MUFG Corporate Markets to determine the criteria for high quality institutions. The criteria for providing a pool of high-quality investment counterparties for inclusion on the PCC's 'Approved Authorised Counterparty List' is provided below:

- UK Banks which have the following minimum ratings from at least one of the three credit rating agencies:

UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

- Non-UK Banks domiciled in a country which has a minimum sovereign rating of AA+ and have the following minimum ratings from at least one of the three credit rating agencies:

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- Part Nationalised UK Banks;
- The PCC's Corporate Banker (Barclays Bank) – if the credit ratings of the PCC's Corporate Banker fall below the minimum criteria for UK Banks above, then cash balances held with that bank will be for account operation purposes only and balances will be minimised in terms of monetary size and time;
- Building Societies (which meet the minimum ratings criteria for UK Banks);
- Money Market Funds (which are rated AAA by at least one of the three major rating agencies);
- UK Government;
- Local Authorities, PCCs etc.

All cash invested by the PCC in 2025/26 was in Sterling deposits invested with banks and other institutions in accordance with the Approved Authorised Counterparty List.

## Joint operations and joint assets

Joint operations are activities undertaken by the PCC or the Chief Constable in conjunction with other bodies, which involve the use of the assets and resources of the Group or the other body, rather than the establishment of a separate entity. The Group recognises on the PCC Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the relevant CIES with its share of the expenditure incurred and income earned from the activity of the operation.

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

## Leases

### The PCC as lessee

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

### Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The PCC initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PCC's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the PCC is reasonably certain to exercise
- Lease payments in an optional renewal period if the PCC is reasonably certain to exercise an extension option
- Penalties for early termination of a lease, unless the PCC is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

### Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The PCC considers the cost model to be a reasonable proxy in the majority of cases, except for leases which do not reflect market conditions. For those leases, the asset is carried at a revalued amount.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- There is a change in future lease payments arising from a change in index or rate
- There is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- The PCC changes its assessment of whether it will exercise a purchase, extension or termination option, or
- There is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the CIES.

### Low value and short lease exemption

As permitted by the Code, the PCC excludes leases:

- For low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the PCC is reasonably certain to exercise and any termination options that the PCC is reasonably certain not to exercise).

### Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited

against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MIRS.

#### The PCC as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

#### *Finance Leases*

Where the PCC grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the PCC's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the MIRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the MIRS. When

the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MIRS.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### *Operating Leases*

Where the PCC grants an operating lease over a property or an item of plant and equipment, the asset is retained in the Balance Sheet. Rental income is credited to the net cost of policing line in the CIES. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### **Private Finance Initiative (PFI) and similar contracts**

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI schemes, and for the Police Investigation Centres (PICs) ownership of the property, plant and equipment will pass to the Group at the end of the contracts for no additional charge, the Group carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. The liability was written down by the initial contribution.

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

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the Chief Constable's net cost of policing in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Variable lease payments – Any payments that are based on performance, volume or usage are charged to the cost of services in the CIES.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – these are included as part of the unitary payment such that the supplier absorbs any peaks and troughs throughout the life of the contract.

PFI arrangements are now accounted for under IFRS 16. Under this standard there is a requirement to remeasure the associated PFI liability where unitary charge increases are linked to a specific index. However, indexed increases to the PCC's unitary charge are only linked to the service element of the arrangements and not to the property element. As such there is no requirement to remeasure the value of the PFI liability on the balance sheet for current arrangements. The PFI assets are however revalued in accordance with the property revaluation policy.

### **Provisions**

Provisions are made where an event has taken place that gives the Group 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. For instance, the Group may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each

financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service line.

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

The insurance claims provision is maintained to meet the liabilities for claims received but for which the timing and/or the amount of the liability is uncertain. The Group self-insures part of the third party, motor and employer's liability risks. External insurers provide cover for large individual claims and to cap the total claims which have to be met from the provision in any insurance year. Charges are made to revenue to cover the external premiums and the estimated liabilities which will not be met by external insurers. Liability claims may be received several years after the event and can take many years to settle.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. 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.

### **Reserves**

The Group 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 MIRS. 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 CIES. The reserve is then appropriated back into the General Fund Balance in the MIRS so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC – these reserves are explained in the following paragraphs:

### Revaluation Reserve

This reserve records the accumulated gains on non-current assets arising from increases in value, as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value). The reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred, only because the asset has been revalued. The balance on this reserve for assets disposed is written out to the Capital Adjustment Account. The overall balance on this reserve thus represents the amount by which the current value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historic cost.

### Capital Adjustment Account

This account accumulates (on the debit side) the write-down of the historical costs of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The balance on this account represents timing differences between the amount of the historical cost of the non-current assets that have been consumed and the amount that has been financed in accordance with statutory requirements.

### Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with the statutory provisions. The PCC accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the PCC and Chief Constable make employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the PCC and Chief Constable have set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

### **Value Added Tax**

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Group's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable (e.g., purchase of command platform vehicles).

### **Going Concern**

The Code stipulates that the financial statements of local authorities can only be discontinued under statutory prescription and therefore shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, a review of going concern is carried out by management, please refer to section 7 of the narrative report and Note 31 for detail of this review.

## 2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Financial Statements have been prepared in accordance with the Code, which is based on International Financial Reporting Standards (IFRSs).

The amendments required to be adopted under the 2026/27 Code are:

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

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change.

Application of the Standards referred to above, as adopted by the Code, is required by 1 April 2026, and these standards will be initially adopted as at 1 April 2026, where applicable. The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

It is not expected that the adoption of any of the standards listed above will have a material effect on the 2026/27 financial statements.

## 3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the PCC 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:

- The budget is set by the PCC and provides the Chief Constable with the authority to incur expenditure. There are still uncertainties about the future funding beyond 2026/27 in regard of what the PCC will receive from the government and the limitations around the precept. The PCC and the Chief Constable are working together to mitigate the impact of the funding gap emerging over the period of the Medium-Term Financial Plan, the impact of which will be realised in the budget set by the PCC.
- The allocation of transactions and balances between the PCC and the Chief Constable has been set out in the Narrative Report to these accounts.
- The PCC has taken over the obligations arising from the PFI contracts entered into by the former Police Authority. One 30-year PFI contract was for the provision of newly built Police Investigation Centres, title to the assets will be retained by the PCCs of both Norfolk and Suffolk on completion of the contract. The other 35-year contract was for the provision of the Operations and Communications Centre at Wymondham. Associated assets have been capitalised and treated “on Balance Sheet” as required by IFRS.
- The PCC for Norfolk has a significant number of assets including those under Private Finance Initiatives (PFI) arrangements. The PCC has the responsibility, control and risk in terms of the provision of those assets. Consequently, a critical judgement has been made to show any connected grant funding (e.g. for the PFI), and the capital and financing costs of the provision of those assets in the PCC accounts. As the Chief Constable utilises the assets on a day-to-day basis, the officers and staff of the Chief Constable have responsibility for the consumables, heating and lighting and so forth. Consequently, these costs are shown in the Chief Constable accounts including the service charges element of the PFI.

- Costs of pension arrangements require estimates assessed by independent qualified actuaries regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS19 reporting are the responsibility of the Group as advised by the actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- In respect of the LGPS police staff pension costs, separate actuarial valuations have been carried out to provide the accounting entries for the PCC and the Chief Constable in 2025/26 and are reflected in the financial statements.
- Under accounting standards, an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised in the accounts to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions to the plan. However, as the Employer has no unconditional right to a refund from the Fund, there is therefore no economic benefit available as a refund, so a judgment has been made to limit the surplus recognised in the accounts to the present value of reductions in future contributions.
- Establishing the valuation of operational and residential properties. Depreciation is a calculation based on asset value and expected useful lives of the assets. If the useful life of an asset is reduced then the depreciation charge to the CIES will increase. The PCC monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year.
- To improve the efficient use of publicly owned buildings, the PCC and other local government bodies engage in the shared use of key sites. This includes fire stations, where sites have been redeveloped to accommodate police stations and offices. The PCC has made significant financial contributions to these development projects. Rights to access the land and shared areas are granted through leasehold arrangements. Many of the leases contain options to break by both parties at regular dates throughout the lease terms and as such were historically classified as operating leases for accounting purposes, although are now on Balance Sheet following the implementation of IFRS 16. The capital

contributions made by the PCC are however protected by clauses that require the lessor to repay to the lessee the capital contributions made, less depreciation, in the event of the lessor issuing a break notice. The PCC therefore receives the full benefit of the contributions made, either by use of the asset throughout the full term of the lease or by way of a repayment of the contribution made. As such the contributions to the redevelopments made are de facto assets and have been capitalised and depreciated over the full lease term as there is no current intention by the PCC to issue an early option to break notice. As the value and associated cash flow of these assets are linked to the depreciated historic cost, the valuers consider depreciated historic cost as an appropriate proxy for current value.

#### 4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

##### Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the PCC with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £112.4m.

The value of the LGPS pension fund assets is calculated by the actuary as part of the formal triennial valuation process, and rolled forward to the balance sheet date, allowing for any movements in the year. These movements include investment returns, which may be estimated where necessary. The return on the Fund in market value terms for the period to 31 March 2026 is estimated based on actual employer returns as reported in HEAT and index returns where necessary. Index returns, where used, are based on employer asset holdings.

##### Property, Plant and Equipment

The value of land and property together with the asset lives are obtained from the PCC's appointed external valuers (Newmark). The PCC relies upon the experience and knowledge of the valuer using the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual* to provide a fair value under IAS16. The carrying value of land and buildings (excluding assets under construction, ROU assets and assets held for sale) at the Balance Sheet date was as follows:

Land	£15.7m
Property	£88.3m

Properties are valued on a five-year rolling programme of revaluations. From 1 April 2025, assets not subject to a full valuation in-year are reviewed using annual indexation in intervening years to ensure carrying values do not materially differ from current value.

Properties are not held for profit or sale, nor are they held as security against financial borrowing, therefore valuation uncertainty around estimates does not result in significant risk to the Constabulary.

Although the valuation estimate is based on the valuer's professional judgement, the following table shows the impact of an overall percentage fall in asset valuations on the balance sheet and CIES.

	Impact of a percentage drop in asset valuations		
	1% £000	10% £000	20% £000
Change in the carrying value of assets	(1,040)	(10,402)	(20,805)
Change in the revaluation reserve	(946)	(8,540)	(16,272)
Additional charge to Other Comprehensive Income and Expenditure in the CIES	94	1,863	4,533

##### Insurance Provisions

Insurance provisions are made where there is an expected financial settlement or an incurrence of cost. Estimations are predicated on a worse case basis on information to hand at 31 March 2026. In many cases, actual costs turn out less than the carrying provision, however in some cases settlement and costs turn out to be higher than the carrying provision as more information regarding an event becomes available.

## **5. Intra group Funding Arrangement Between the PCC and Chief Constable**

The background and principles that underpin the accounting arrangements and create the need for an intra-group adjustment have been set out in the Narrative Report.

The PCC received all funding on behalf of the Group; at no time, under the current arrangements, does the Chief Constable hold any cash or reserves. However, it is felt that to accurately represent the substance of the financial impact of the day-to-day control exercised by the Chief Constable over policing it is necessary to capture the costs associated with this activity in the Chief Constable's CIES. A consequence of this is that the employment liabilities associated with police officers and police staff are also contained in the Chief Constable's CIES and the accumulative balances are held on the Chief Constable's Balance Sheet. All other assets and liabilities are held on the PCC's Balance Sheet.

Whilst no actual cash changes hands the PCC has undertaken to fund the resources consumed by the Chief Constable. The PCC effectively makes all payments from the Police Fund. To reflect this position in the Accounts, funding from the PCC offsets cost of service expenditure contained in the Chief Constable's CIES. This intra-group adjustment is mirrored in the PCC's CIES. The financial impact associated with the costs of the employment liabilities are carried on the balance sheet in accordance with the Code and added to the carrying value of the Pensions Liability and Accumulated Absences Liability.

## 6. Notes to the Expenditure and Funding Analysis

### Adjustments between the CIES and the General Fund – Group

Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments 2024/25	Group Position	Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments 2025/26
£000	£000	£000	£000		£000	£000	£000	£000
-	(18,624)	(92)	(18,716)	Constabulary	-	(26,416)	107	(26,309)
10,340	(75)	-	10,265	Office of the PCC	7,732	(138)	-	7,593
<b>10,340</b>	<b>(18,699)</b>	<b>(92)</b>	<b>(8,451)</b>	<b>Net Cost of Police Services</b>	<b>7,732</b>	<b>(26,555)</b>	<b>107</b>	<b>(18,716)</b>
(8,144)	45,423	(342)	36,937	Other income and expenditure	(8,249)	47,083	(347)	38,488
<b>2,197</b>	<b>26,724</b>	<b>(434)</b>	<b>28,486</b>	<b>Difference between General Fund Deficit/(Surplus) &amp; CIES Deficit/(Surplus)</b>	<b>(517)</b>	<b>20,529</b>	<b>(239)</b>	<b>19,772</b>

### Adjustments between the CIES and the General Fund – PCC

Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments 2024/25	Office of the PCC	Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments 2025/26
£000	£000	£000	£000		£000	£000	£000	£000
10,340	(75)	-	10,265	Office of the PCC	7,732	(138)	-	7,593
<b>10,340</b>	<b>(75)</b>	<b>-</b>	<b>10,265</b>	<b>Net Cost of Police Services</b>	<b>7,732</b>	<b>(138)</b>	<b>-</b>	<b>7,593</b>
(8,144)	(1)	(342)	(8,487)	Other income and expenditure	(8,249)	(4)	(347)	(8,599)
<b>2,197</b>	<b>(76)</b>	<b>(342)</b>	<b>1,778</b>	<b>Difference between General Fund Deficit/(Surplus) &amp; CIES Deficit/(Surplus)</b>	<b>(517)</b>	<b>(142)</b>	<b>(347)</b>	<b>(1,006)</b>

## Expenditure and Income Analysed by Nature

Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2024/25 £000	Total PCC 2024/25 £000	Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2025/26 £000	Total PCC 2025/26 £000	
<b>Expenditure</b>										
182,693	1,063	1,154	<b>184,910</b>	<b>2,217</b>	186,081	1,099	988	<b>188,168</b>	<b>2,087</b>	
42,862	2,660	4,283	<b>49,805</b>	<b>6,943</b>	44,659	2,686	3,916	<b>51,261</b>	<b>6,602</b>	
-	10,340	-	<b>10,340</b>	<b>10,340</b>	-	7,732	-	<b>7,732</b>	<b>7,732</b>	
65,793	(1)	-	<b>65,792</b>	<b>(1)</b>	70,180	(4)	-	<b>70,176</b>	<b>(4)</b>	
-	6,179	-	<b>6,179</b>	<b>6,179</b>	-	6,262	-	<b>6,262</b>	<b>6,262</b>	
-	106	-	<b>106</b>	<b>106</b>	-	-	-	<b>-</b>	<b>-</b>	
<b>291,347</b>	<b>20,348</b>	<b>5,437</b>	<b>317,132</b>	<b>25,785</b>	<b>300,920</b>	<b>17,776</b>	<b>4,903</b>	<b>323,599</b>	<b>22,679</b>	
<b>Income</b>										
(12,059)	(460)	(592)	<b>(13,111)</b>	<b>(1,052)</b>	(12,429)	(335)	(739)	<b>(13,503)</b>	<b>(1,074)</b>	
-	(1,002)	-	<b>(1,002)</b>	<b>(1,002)</b>	-	(1,127)	-	<b>(1,127)</b>	<b>(1,127)</b>	
-	(100,050)	-	<b>(100,050)</b>	<b>(100,050)</b>	-	(107,340)	-	<b>(107,340)</b>	<b>(107,340)</b>	
(23,473)	(147,592)	(2,835)	<b>(173,900)</b>	<b>(150,427)</b>	(23,043)	(158,759)	(2,555)	<b>(184,357)</b>	<b>(161,314)</b>	
-	-	-	<b>-</b>	<b>-</b>	-	(299)	-	<b>(299)</b>	<b>(299)</b>	
<b>(35,533)</b>	<b>(249,104)</b>	<b>(3,426)</b>	<b>(288,063)</b>	<b>(252,530)</b>	<b>(35,472)</b>	<b>(267,859)</b>	<b>(3,295)</b>	<b>(306,625)</b>	<b>(271,153)</b>	
<b>255,814</b>	<b>(228,756)</b>	<b>2,011</b>	<b>29,069</b>	<b>(226,745)</b>	<b>265,448</b>	<b>(250,083)</b>	<b>1,609</b>	<b>16,974</b>	<b>(248,475)</b>	
<b>229,105</b>				<b>229,105</b>	<b>244,669</b>			<b>244,669</b>		
<b>349</b>				<b>2,360</b>	<b>(5,414)</b>			<b>1,609</b>		
				<b>Deficit/(Surplus) on the Provision of Services after Intra Group Funding (Total PCC Only)</b>						<b>(3,805)</b>

## 7. Government Grants

The following grants and contributions were credited to the CIES during the year:

	Group		PCC	
	Amount Receivable for 25/26 £000	Amount Receivable for 24/25 £000	Amount Receivable for 25/26 £000	Amount Receivable for 24/25 £000
<b>Credited to Taxation and Non Specific Grant Income</b>				
General police grant	69,544	67,061	69,544	67,061
Council tax support grant	7,877	7,877	7,877	7,877
Council tax freeze grant	1,428	1,428	1,428	1,428
Capital grants and contributions	167	4	167	4
MHCLG funding	36,631	35,322	36,631	35,322
Precepts	107,793	100,050	107,793	100,050
	<b>223,440</b>	<b>211,742</b>	<b>223,440</b>	<b>211,742</b>
<b>Credited to Other Operating Expenditure</b>				
Home Office contribution to police pensions	23,093	20,369	23,093	20,369
	<b>23,093</b>	<b>20,369</b>	<b>23,093</b>	<b>20,369</b>
<b>Credited to Services</b>				
Police incentivisation	374	501	-	-
PFI grants (OCC and PICs)	6,758	6,758	6,758	6,758
Specific grant for police pensions	5,079	5,489	-	-
Serious Violence Duty	451	449	-	-
Other specific grants	32,835	28,642	15,245	11,158
	<b>45,498</b>	<b>41,839</b>	<b>22,003</b>	<b>17,917</b>

Other specific grants credited to services for the Group include £9.1m TOEX Grant, £6.3m Operation Uplift, Police special grant – pay award £1.3m, NIC grant of £3.2m, Neighbourhood Policing Grant £2.2m and a £1.8m Ministry of Justice Grant, the latter was wholly credited to services for the PCC.

## 8. Employees' Remuneration

The numbers of employees and senior police officers (Chief Superintendent and above) whose remuneration exceeded £50k in 2025/26 were as follows:

Group		Remuneration	OPCC	
2025/26	2024/25		2025/26	2024/25
74	67	£50,000 - £54,999	2	2
41	24	£55,000 - £59,999	2	3
13	15	£60,000 - £64,999	-	-
15	12	£65,000 - £69,999	2	2
8	3	£70,000 - £74,999	1	-
4	4	£75,000 - £79,999	1	-
3	4	£80,000 - £84,999	-	1
1	1	£85,000 - £89,999	-	1
4	3	£90,000 - £94,999	2	-
2	3	£95,000 - £99,999	-	-
1	3	£100,000 - £104,999	-	-
4	1	£105,000 - £109,999	-	-
1	2	£110,000 - £114,999	-	-
2	1	£115,000 - £119,999	-	-
-	2	£125,000 - £129,999	-	-
1	-	£130,000 - £134,999	-	-
1	-	£135,000 - £139,999	-	-
-	2	£140,000 - £144,999	-	1
2	2	£145,000 - £149,999	1	-
1	-	£150,000 - £154,999	-	-
-	1	£185,000 - £189,999	-	-
1	-	£195,000 - £199,999	-	-

In addition to the above the Accounts and Audit Regulations 2015 require a detailed disclosure of employees' remuneration for relevant police officers, those holding statutory office and other persons with a responsibility for management of the PCC. Officers listed in the table below are also included in the above banding disclosure note.

	Salaries Fees and Allowances £000	Employers Pension Contributions £000	Benefits in Kind £000	Total £000
<b>2025/26</b>				
<b>Position held</b>				
Chief Constable - Paul Sanford	199	65	1	265
Deputy Chief Constable (to 28.9.25)	77	51	1	129
Deputy Chief Constable (from 3.11.25)	68	-	-	68
Assistant Chief Constable - Nicholas Davison (to 31.3.26)	152	49	-	201
Assistant Chief Constable	149	49	-	198
Temporary Assistant Chief Constable (from 15.9.25)	119	41	-	160
Temporary Assistant Chief Constable (to 7.12.25)	91	27	-	118
Assistant Chief Officer	131	24	-	155
Police and Crime Commissioner	76	15	-	91
Chief Executive (PCC)	150	28	-	178
CFO (PCC) - 0.6 FTE	69	-	-	69
<b>2024/25</b>				
<b>Position held</b>				
Chief Constable - Paul Sanford	188	61	-	249
Deputy Chief Constable	149	51	1	201
Assistant Chief Constable	146	47	-	193
Assistant Chief Constable (from 24.6.24)	143	47	-	190
Temporary ACC (from 16.2.24 to 23.6.24)				
Temporary Assistant Chief Constable (from 28.10.24)	114	38	-	152
Assistant Chief Officer	126	24	-	150
Police and Crime Commissioner (to 8.5.24)	8	2	-	10
Police and Crime Commissioner (from 9.5.24)	66	14	-	80
Chief Executive (PCC)	144	28	-	172
CFO (PCC) - 0.6 FTE (to 2.9.24)	28	5	-	33
CFO (PCC) - 0.6 FTE (from 10.9.24)	37	-	-	37

"Remuneration" is defined, by regulation, as "all amounts paid to or receivable by an employee and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash."

During 2025/26, a chief officer from Norfolk Constabulary acted as an Assistant Chief Constable (ACC) in a joint capacity, Suffolk Constabulary contributed 43.6% towards the cost of this post. A Norfolk chief officer also acted as an Assistant Chief Constable in a three force cost sharing role, Norfolk contributed 33.02% towards the cost of this post. The Regulations also require disclosure of

compensation for loss of employment and other payments to relevant police officers. No amounts were paid to the above officers in respect of these categories.

The number of exit packages with total cost per band are set out in the table below.

Exit Package Cost Band including Special Payments	Number of Compulsory Redundancies		Number of Other Agreed Departures		Total Number of Exit Packages		Total Value of Exit Packages	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26 £000	2024/25 £000
0-20	1	6	2	2	3	8	27	113
20-40	1	-	-	-	1	-	25	-
40-60	3	-	-	-	3	-	160	-
60-80	2	-	-	-	2	-	140	-
80-100	-	1	-	1	-	2	-	166
150-200	-	1	-	-	-	1	-	194
	7	8	2	3	9	11	352	473

Actual in year expenditure recognised in the CIES includes adjustments relating to estimates made in the prior period, where actual settlement amounts differ from those previously accrued or where employees were projected to be made redundant but were subsequently found employment within the Constabulary. The Group table includes a single other agreed departure payment made within the PCC's Office, it has not been disclosed separately as it would not provide any additional transparency and could reasonably lead to the identification of an individual.

## 9. Related Party Transactions

The PCC is required to disclose material transactions with bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC. Details of any related party transactions are recorded in the Register of Members' Interests.

During 2025/26 the PCC and other senior officers have been written to requesting details of any related party transactions other than those included under employee's remuneration set out in Note 8 of these financial statements.

Central Government has effective control over the general operations of the PCC, it is responsible for providing the statutory framework within which the PCC operates, provides the majority of its funding and prescribes the terms of many of the transactions that the PCC has with other parties. Income from central government is set out in Note 7 of these financial statements.

Norfolk and Suffolk Constabularies have implemented significant collaborative arrangements, these are fully disclosed in Note 10.

No other material transactions with related parties have been entered into except where disclosed elsewhere in the accounts.

## 10. Collaborative Arrangements

### Local Collaboration

Both Norfolk and Suffolk Constabularies collaborate extensively across a range of service areas. At the point where collaborative opportunities are identified as able to deliver efficiencies, savings or improved service then the PCC is required to give their approval to collaborate. This is recognised by Norfolk and Suffolk alike.

The PCCs consider issues of mutual interest and discharge their governance responsibilities in line with the Scheme of Governance and Consent. The agreed shared costs of fully collaborated units that arose during the year were as follows:

	Business Support £000	Specialist Operations £000	Spec' Crime & Capability £000	County Policing £000	Total £000
<b>2025/26</b>					
Suffolk PCC	28,522	21,331	12,242	-	62,095
Norfolk PCC	36,896	27,593	15,836	-	80,325
<b>Total shared running costs</b>	<b>65,418</b>	<b>48,924</b>	<b>28,077</b>	<b>-</b>	<b>142,420</b>
	Business Support £000	Criminal Justice £000	Protective Services £000	County Policing £000	Total £000
<b>2024/25</b>					
Suffolk PCC	25,300	13,883	19,981	140	59,304
Norfolk PCC	32,861	18,032	25,952	182	77,026
<b>Total shared running costs</b>	<b>58,161</b>	<b>31,915</b>	<b>45,933</b>	<b>321</b>	<b>136,330</b>

Following an organisational restructuring within certain collaborative directorates, Joint Protective Services and Joint Justice Services ceased to operate in their previous forms with effect from 1 April 2025. These functions were reconstituted as Joint Specialist Operations and Joint Specialist Crime and Capability. In addition, certain elements transitioned to single-force arrangements during the course of the financial year.

This note is presented as a voluntary supplementary disclosure. In accordance with the CIPFA Code of Practice, prior year comparative figures have not been

restated. Consequently, the amounts disclosed are not directly comparable and are provided for explanatory purposes only.

### Regional Collaboration

Collaboration within the region has been pursued for a number of years. Since April 2023, the six PCCs from the region have met annually as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specifies the formalities of the collaboration arrangements in relation to specific collaborations.

Since October 2015 the six police areas in the region have been joined by Kent in the 7Force Strategic Collaboration Programme. This has been formalised in a collaboration agreement entered into between the PCCs and Chief Constables of the seven police areas. The agreement is for an indefinite duration.

The net expenditure incurred by each force in relation to ERSOU (Eastern Region Specialist Operation Unit) is as follows:

	Total 2025/26 £000	Total 2024/25 £000
Operating costs	40,020	39,214
Specific Home Office grant	(13,449)	(9,743)
<b>Total deficit/ (surplus) for the year</b>	<b>26,571</b>	<b>29,471</b>
Contributions from forces:		
Bedfordshire	(2,794)	(3,114)
Cambridgeshire	(3,518)	(3,902)
Essex	(3,506)	(4,347)
Hertfordshire	(5,012)	(5,565)
Kent	(4,670)	(4,754)
Norfolk	(3,986)	(4,396)
Suffolk	(3,085)	(3,394)
	-	-

### 7F Collaboration

The Business Case to collaborate 7F Commercial Services was agreed at the Eastern Region Summit on 10 July 2018.

During 2019/20, procurement services across the Seven Forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk were collaborated to a single 7F Commercial Services function.

As a partnership of seven forces, this created the second largest contracting body in police procurement nationally. This provides greater economies of scale and better presence and 'buying power' for value for money contracts in the market place.

The 7F Commercial Service vision is to enable the delivery of an effective police service and provide support for victims of crime in the eastern region by procuring and managing a high quality, value for money supply chain.

The net expenditure incurred by each force is as follows:

	<b>Total</b>	<b>Total</b>
	<b>2025/26</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
Operating Costs	4,236	3,881
Contributions from forces:		
Bedfordshire	668	329
Cambridgeshire	290	415
Essex	641	589
Hertfordshire	585	838
Kent	562	887
Norfolk	1,028	466
Suffolk	461	359
	<b>4,236</b>	<b>3,881</b>

### National Collaboration

West Yorkshire Police is the lead force for the National Police Air Service (NPAS). Police staff engaged in provision of the service were employed by the Commissioner and police officers were seconded to West Yorkshire Police. Expenditure relating to NPAS incurred by forces will be charged to West Yorkshire and they will charge forces for the service. The Home Office provides a capital grant to cover the capital investment required.

The service is governed by a section 22A collaboration agreement and is under the control of a Strategic Board made up of Commissioners and Chief Constables from each region. The Board determines the budget and the charging policy and monitors performance.

During the year £229k was payable to West Yorkshire PCC in respect of the NPAS service provided.

## 11. Council Tax

The Norfolk district, city and borough councils are required to collect the amount of council tax determined by the PCC for policing the county. In 2025/26 the precept, including the estimated 2024/25 collection fund surplus / (deficit), was paid to the PCC during the year and amounted to £107.4m distributed as shown below. The Code requires that Council Tax income included in the CIES for the year should be prepared on an accruals basis. The cash received from the billing authorities is therefore adjusted for the PCC's share of the outturn opening and closing balances on the Collection Fund. These adjustments are however then taken to the Collection Fund Adjustment Account and included as a reconciling item in the MiRS to ensure that only the statutory amount is credited to the General Fund. The figures credited to the CIES are broken down as follows:

2024/25 £000	Received from Billing Authority £000	Outturn surplus/(deficit) on Collection Fund at		Total 2025/26 £000
		31 March 2025 £000	31 March 2026 £000	
14,893	Breckland 15,907	184	59	15,782
15,567	Broadland 16,446	89	38	16,394
16,957	Kings Lynn & West Norfolk 18,700	(49)	(24)	18,725
12,647	Norwich 13,068	649	823	13,243
9,644	Great Yarmouth 10,414	10	(35)	10,369
13,417	North Norfolk 14,960	403	856	15,413
16,925	South Norfolk 17,952	91	7	17,867
<b>100,050</b>	<b>107,446</b>	<b>1,377</b>	<b>1,723</b>	<b>107,793</b>

The Code of Practice also requires the PCC to account for its share of net council tax arrears and prepayments within the Balance Sheet. This is offset within the Balance Sheet by an associated balance that reflects the difference between the net attributable share of cash received by the billing authorities from council tax debtors / creditors and the amounts paid to the PCC. The amounts owed to / from billing authorities in respect of council tax at the year-end were as follows:

Balance at 31 March 2025 £000	Collection Fund £000	Net Arrears £000	Pre- payments £000	Balance at 31 March 2026 £000
505	Breckland (59)	1,041	(210)	772
107	Broadland (38)	445	(222)	186
(303)	Kings Lynn & West Norfolk 24	1,028	(305)	747
(310)	Norwich (823)	799	(346)	(370)
317	Great Yarmouth 35	679	(309)	405
(323)	North Norfolk (856)	515	(283)	(624)
283	South Norfolk (7)	654	(273)	375
<b>277</b>	<b>(1,723)</b>	<b>5,161</b>	<b>(1,947)</b>	<b>1,491</b>

## 12. External Audit Fees

No audit fees have been payable for non-audit work.

The Group fees payable in respect of external audit services were as follows:

2024/25	2025/26
£000	£000
The Group has incurred the following costs in relation to the audit of the Statement of Accounts	
104 The PCC for Norfolk	107
13 The PCC for Norfolk scale fee variation 2022/23	-
- The PCC for Norfolk scale fee variation 2023/24	16
- The PCC for Norfolk scale fee variation 2024/25	43
51 The Chief Constable of Norfolk	53
7 The Chief Constable of Norfolk scale fee variation 2022/23	-
- The Chief Constable of Norfolk scale fee variation 2023/24	14
- The Chief Constable of Norfolk scale fee variation 2024/25	12
<b>174</b>	<b>245</b>

In the 2022/23 Statement of Accounts, the PCC disclosed an estimated external audit fee of £34,295 based on information available at that time; this was invoiced and paid; however, no full audit was undertaken in that year. In 2024/25, £12,636 was disclosed as a scale fee variation in respect of Value for Money work relating to the 2022/23 audit. The Public Sector Audit Appointments (PSAA) has now confirmed that the total fee payable for all audit work relating to 2022/23 is £27,790 which includes the Value for Money work previously disclosed but not paid. The overpayment of £6,505 was settled in 2025/26; however, as this relates to the 2022/23 audit, it is not included within the table above.

In the 2022/23 Statement of Accounts, the Chief Constable disclosed an estimated external audit fee of £16,288 based on information available at that time; this was invoiced and paid; however, no full audit was undertaken in that year. In 2024/25, £6,509 was disclosed as a scale fee variation in respect of Value for Money work relating to the 2022/23 audit. The Public Sector Audit Appointments (PSAA) has now confirmed that the total fee payable for all audit work relating to 2022/23 is £14,316 which includes the Value for Money work previously disclosed but not paid. The overpayment of £1,972 was settled in 2025/26; however, as this relates to the 2022/23 audit, it is not included within the table above.

The PCC fees payable in respect of external audit services are identified separately in the above table.

### 13. Non-Current Assets

Land and buildings	Vehicles plant and equipment	Assets under construction	Surplus assets	Total		Land and buildings	Vehicles plant and equipment	Assets under construction	Surplus Assets	Total
£000	£000	£000	£000	£000	2024/25	£000	£000	£000	£000	2025/26
<b>Property, Plant &amp; Equipment</b>										
<b>Historic cost or revaluation</b>										
90,071	38,248	3,094	100	131,512	Balance at 1 April	99,107	32,021	7,380	100	138,608
(827)	-	-	-	(827)	Reclassifications	7,566	-	(7,566)	-	-
831	4,328	4,286	-	9,445	Additions	190	5,340	186	-	5,716
-	(10,555)	-	-	(10,555)	Derecognition - disposals	-	(5,465)	-	-	(5,465)
9,032	-	-	-	9,032	Revaluation gains/losses	(2,021)	-	-	-	(2,021)
<b>99,107</b>	<b>32,021</b>	<b>7,380</b>	<b>100</b>	<b>138,608</b>	<b>Balance at 31 March</b>	<b>104,842</b>	<b>31,896</b>	<b>-</b>	<b>100</b>	<b>136,838</b>
<b>Depreciation and impairments</b>										
2,459	24,322	-	-	26,781	Balance at 1 April	3,123	18,263	-	-	21,386
(130)	-	-	-	(130)	Reclassifications	-	-	-	-	-
(2,175)	-	-	-	(2,175)	Depreciation written out on revaluation	(5,289)	-	-	-	(5,289)
-	(10,317)	-	-	(10,317)	Derecognition - disposals	-	(5,176)	-	-	(5,176)
2,969	4,257	-	-	7,226	Depreciation for the year	2,984	4,231	-	-	7,214
<b>3,123</b>	<b>18,263</b>	<b>-</b>	<b>-</b>	<b>21,386</b>	<b>Balance at 31 March</b>	<b>817</b>	<b>17,318</b>	<b>-</b>	<b>-</b>	<b>18,135</b>
87,611	13,926	3,094	100	104,731	Opening net book value	95,984	13,758	7,380	100	117,222
<b>95,984</b>	<b>13,758</b>	<b>7,380</b>	<b>100</b>	<b>117,222</b>	<b>Closing net book value</b>	<b>104,025</b>	<b>14,578</b>	<b>-</b>	<b>100</b>	<b>118,703</b>

**Revaluation movements above are reflected in the CIES as follows:**

1,643	Charged/(credited) to the Net Cost of Services	73
(12,925)	Charged/(credited) to Other Comprehensive Income and Expenditure	(3,342)
75	Revaluation correction on 2023/24 reclassification of asset held for sale	-
<b>(11,207)</b>		<b>(3,268)</b>

Assets under construction are assets that are not yet operationally complete, the balance relates to expenditure on land and buildings.

Included in land and buildings is land at Bury St Edmunds on which a Police Investigation Centre (PIC) has been built. Suffolk PCC has legal title to this land; however, Norfolk PCC owns 30% of the beneficial interest in the land, with the remaining 70% owned by Suffolk PCC, who is co-occupier of the centre. Therefore only 30% of the current value of the land is included in the table above, amounting to £405k. The PCC also holds legal title to land at Great Yarmouth on which a PIC has been built, however 50% of the beneficial interest of this land is held by Suffolk PCC. The current value of this land in the balance sheet amounts to £306k. The depreciation and amortisation policy is set out in Note 1. Assets have been depreciated on a straight-line basis over their economic useful lives.

### Intangible Assets

Software licences and IT systems 31 March 2025 £000	Software licences and IT systems 31 March 2026 £000
<b>Purchased intangible assets</b>	
<b>Historic cost or revaluation</b>	
9,134 Balance at 1 April	8,821
554 Additions	704
(866) Derecognition - disposals	(721)
<b>8,821 Balance at 31 March</b>	<b>8,804</b>
<b>Amortisation</b>	
6,791 Balance at 1 April	6,652
728 Amortisation for the year	71
(866) Derecognition - disposals	(721)
<b>6,652 Balance at 31 March</b>	<b>6,001</b>
2,343 Opening net book value	2,169
<b>2,169 Closing net book value</b>	<b>2,803</b>

### Valuations

#### Land and Buildings

The freehold and leasehold properties of the PCC's property portfolio are individually valued as part of a rolling 5-year programme, significant properties are valued annually. The valuations carried out by the PCC's professional advisors are in accordance with their appraisal and valuation manual. Their valuer is a qualified member of the Royal Institute of Chartered Surveyors (RICS).

In order to calculate buildings depreciation, the valuers have provided separate valuations for the land and building elements of each property valuation. The valuers also provide an estimate of the remaining economic useful life of the assets.

Plant and machinery which are part of the building or property (for example, central heating systems) have been included in valuations. This is in accordance with appendices to Practice Statements of the RICS appraisal valuation manual. Moveable plant, machinery, fixtures and fittings, which do not form part of the building, have been excluded from the valuations of land and buildings.

Non-specialised operational properties were valued on the basis of existing use value (EUV). Specialised operational properties should also be valued on an EUV basis, or where this could not be assessed because there was no market for the subject asset, they were valued according to the depreciated replacement cost.

#### Vehicles, Plant and Equipment and Software Licences

Vehicles, plant and equipment and software licences are valued at depreciated historic cost as a proxy for current value.

The amounts below show the valuation basis and represent the carrying value of assets at 31 March 2026. These include the effects of indexation applied since the last full revaluation date, in 2025/26, indexation movements amounted to £2,341k (2024/25 - £nil)

	Other land and buildings £000	Vehicles plant and equipment £000	Surplus Assets £000	Total £000
<b>Carried at historical cost</b>	594	14,578	-	15,173
<b>Full fair value valuations during:</b>				
31 March 2026	9,797	-	-	9,797
31 March 2025	49,466	-	-	49,466
31 March 2024	40,968	-	-	40,968
31 March 2023	1,541	-	100	1,641
31 March 2022	1,658	-	-	1,658
<b>Balance at 31 March 2026</b>	<b>104,025</b>	<b>14,578</b>	<b>100</b>	<b>118,703</b>

The indexation indices used in year were as follows:

Specialised Properties (Buildings) – BCIS All-in Tender Price Index adjusted for local factors.

Specialised Properties (Land) – Savills Urban Development Land (Eastern) Index.

Non-Residential Properties – MSCI Capital Growth Index, Norwich – All Sectors.

## 14. Financing of Capital Expenditure

Capital financing is accounted for on an accruals basis. The sources of capital finance in 2025/26 are set out below:

2024/25 £000	2025/26 £000
101,391	104,694
<b>Capital investment</b>	
554	704
5,159	5,530
4,286	186
1,751	151
<b>Sources of finance</b>	
(132)	(1,172)
(69)	(275)
(4,477)	(4,576)
(3,768)	(3,088)
<b>104,694</b>	<b>102,154</b>
<b>Explanation of movements in year</b>	
3,303	(2,540)
<b>3,303</b>	<b>(2,540)</b>

The Minimum Revenue Provision (MRP) is a mechanism to set aside revenue funds for the redemption of debt. The Local Authorities (Capital Finance and Accounting) Regulations 2015 are issued under Section 21 of the Local Government Act 2003 and now allow authorities a variety of options in calculating their MRP. The options chosen were that MRP calculated using Option 2 be used for capital expenditure up to and including 31 March 2008 and Option 3 for all capital expenditure thereafter. Option 3 results in MRP being charged over the asset's remaining useful life. Accounting for PFIs and ROU Leases require that on balance sheet assets are also funded through MRP, the amount charged is equivalent to the capital element of the liability repaid during the year. The total amount charged to MRP in 2025/26 was £3,088k (2024/25 - £3,768k).

## 15. Private Finance Initiative

### Operations and Communications Centre at Wymondham

The PCC is committed to making payments under a contract with a consortium for the use of Jubilee House, Operations and Communications Centre at Wymondham until 2037. The actual level of payments is dependent on availability of the site and provision and delivery of services within. The estimated cost covers the contract standard facilities management provision. The contract, which is for a period of 35 years starting from 2001, has an option at contract end date to purchase the property at open market value or to negotiate with the PFI provider to extend the contract for up to a further 2 periods of 15 years, or of terminating the contract. The PCC makes an agreed payment each year which is increased by inflation for service-related elements of the unitary charge, and can be reduced if the contract fails to meet availability and performance standards in any year but which is otherwise fixed. The payment recognised in the Chief Constable accounts is for the services element and variable consideration for non-lease components, which during 2025/26 was £1.845m (£1.770m in 2024/25). Payments remaining to be made under the PFI contract at 31 March 2026 (excluding any estimation of inflation and availability / performance deductions) are as follows:

	Revenue Services £000	Capital Payments £000	Interest £000	Total £000
Payable in 2026/27	1,485	1,073	2,315	4,872
Payable within two to five years	6,320	5,679	7,871	19,871
Payable within six to ten years	8,831	11,651	5,287	25,769
Payable within eleven to fifteen years	1,343	1,678	129	3,150
	<b>17,979</b>	<b>20,081</b>	<b>15,602</b>	<b>53,663</b>

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital remains to be reimbursed.

### Police Investigation Centres (PIC)

During the financial years 2010/11 to 2040/41 the Norfolk and Suffolk PCCs are committed to making payments under a contract with a consortium for the use of the six PICs. The actual level of payments will be dependent on the availability of the site and provision and delivery of services within. The contract is for 30 years. As the end of this term the properties revert to the two Groups.

Norfolk and Suffolk PCCs have agreed to pay for these services on an agreed percentage in accordance with the total number of cells within the 6 properties located in the two Counties – this being Norfolk 58.2% and Suffolk 41.8%. The payment recognised in the Chief Constable accounts is for the services element and variable consideration for non-lease components, which during 2025/26 amounted to £2.711m (£1.996m in 2024/25). This figure includes a credit received from Cambridgeshire Police for £0.593m in respect of services provided at the Kings Lynn PIC.

A summary of the sites, their initial contract capital value and the respective PCC interest in each site is shown in the table below:

Sites and opening dates	Norfolk Cells	Suffolk Cells	Cambridge -shire Cells	Capital	Norfolk	Historic Cost
				Contract Value £000	31 March 2026 £000	31 March 2025 £000
Aylsham - 28.2.11	8	-	-	6,967	6,967	6,967
Wymondham - 4.4.11	30	-	-	11,398	11,398	11,398
Kings Lynn - 25.4.11	16	-	8	10,749	10,749	10,749
Ipswich - 6.6.11	-	30	-	12,012	-	-
Bury St Edmunds - 4.7.11	8	16	-	10,621	3,540	3,540
Gt Yarmouth - 7.11.11	15	15	-	12,680	6,340	6,340
	<b>77</b>	<b>61</b>	<b>8</b>	<b>64,427</b>	<b>38,994</b>	<b>38,994</b>

The PCC makes an agreed payment each year which is increased by inflation for service-related elements of the unitary charge and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2026 (which exclude any availability / performance deductions or amounts receivable from Cambridgeshire Police), are shown in the following table.

	Revenue Services £000	Capital Payments £000	Interest £000	Total £000
Payable in 2026/27	2,903	574	2,264	5,741
Payable within two to five years	9,995	5,338	8,253	23,586
Payable within six to ten years	14,840	8,476	7,691	31,007
Payable within eleven to fifteen years	15,623	13,503	3,207	32,333
	<b>43,360</b>	<b>27,891</b>	<b>21,416</b>	<b>92,667</b>

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital remains to be reimbursed.

The movement in the capital liability on the Norfolk PCC Balance Sheet during the year is shown in the following table:

	31 March 2026 £000	31 March 2025 £000
<b>PFI - PICs</b>		
Balance outstanding at the beginning of the year	28,539	29,634
Capital repayments during the year	(648)	(1,095)
Balance outstanding at year end	<b>27,891</b>	<b>28,539</b>
<b>PFI - OCC</b>		
Balance outstanding at the beginning of the year	21,043	21,906
Capital repayments during the year	(962)	(863)
Balance outstanding at year end	<b>20,081</b>	<b>21,043</b>
Total balance outstanding at year end	<b>47,972</b>	<b>49,582</b>
<b>Made up as follows:</b>		
Due in less than one year	1,646	1,610
Due in more than one year	46,326	47,972
	<b>47,972</b>	<b>49,582</b>

The net book value of the assets capitalised as part of the OCC and PIC PFI contracts is made up as follows:

	31 March 2026 £000	31 March 2025 £000
Net book value at the beginning of the year	51,064	49,966
Additions	-	-
Revaluations during the year	1,881	3,223
Depreciation during the year	(1,931)	(2,125)
Net book value at the end of the year	<b>51,014</b>	<b>51,064</b>

## 16. Retirement Benefits

### Participation in pension schemes

Pension and other benefits are available to all PCC and Constabulary personnel under the requirements of statutory regulations. Four defined benefit pension schemes are operated:

- a) The Local Government Pension Scheme (LGPS) for PCC and Constabulary police staff, administered by Norfolk County Council, this is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pension liabilities with investment assets.

From April 2014 the LGPS changed to a career average defined benefit scheme, meaning benefits accrued are worked out using the employee's pay each scheme year rather than the final salary. This applies to all membership which builds up from 1 April 2014, but all pensions in payment or built up before April 2014 are protected. Employee contributions are determined by reference to actual pensionable pay and are tiered between 5.5% and 12.5%.

- b) The Police Pension Scheme (PPS) for police officers who joined before April 2006 is now closed and all active members have been transferred to the CARE scheme.
- c) The New Police Pension Scheme (NPPS) for police officers who either joined from April 2006 or transferred from the PPS is now closed and all active members have been transferred to the CARE scheme.
- d) The Police Pension 2015 Scheme for police officers is a Career Average Revalued Earnings (CARE) scheme for those who either joined from April 2015 or transferred from PPS or NPPS. The employee contributions are 12.44%-13.78% of salary and the Normal Pension Age is 60 although there are protections for eligible officers to retire earlier. Contribution rates are dependent on salary.

All police pension schemes are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet pension liabilities. Employees'

and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department.

The actuarial valuation has set a notional employer contribution rate for the police pension schemes from 1 April 2024 at 35.3% of pensionable pay. Under the police pensions financing arrangements, a pensions top-up grant is received from the Home Office to meet the net cost of pension payments. The grant is calculated by deducting employee contributions and employer contributions assessed at this notional valuation rate from total pension expenditure. While police bodies fund employer contributions at a lower effective level in practice (historically around 21.3% of pensionable pay through core funding), the higher notional rate is applied in the grant calculation. As a result, the difference between the assumed employer contribution rate and the level effectively funded gives rise to a residual cost pressure, which is met from the Police General Fund.

The Home Office has provided additional specific grant funding to support the increase in employer contribution rates following the latest actuarial valuation; however, this does not fully offset the impact of the higher notional rate used in the grant calculation. In 2025/26 a specific grant of £5.08m was received to part fund the cost of the change in contribution rates. The CIES meets the costs of injury awards and the capital value of ill-health benefits.

The PCC is also required to maintain a Police Pension Fund Account. Employer and employee contributions are credited to the account together with the capital value of ill-health retirements and transfer values received. Pensions and other benefits (except injury awards) and transfer values paid are charged to this account. If the account is in deficit at 31 March in any year, the Home Office pays a top-up grant to partially cover it. If there is a surplus on the account, then that has to be paid to the Home Office.

### Transactions relating to post-employment benefits

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so the real cost of retirement is reversed out of the General Fund in the MiRS.

The note below contains details of the Group's operation of the Local Government Pension Scheme (administered by Norfolk County Council) and the Police Pension Schemes in providing police staff and police officers with retirement benefits. In addition, the Group has arrangements for the payment of discretionary benefits to certain retired employees outside of the provisions of the schemes.

The following transactions have been made in the CIES and the General Fund via the MiRS during the year:

	Group				PCC	
	LGPS		Police Pensions Schemes		LGPS	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement</b>						
<b>Cost of services</b>						
Current service costs	6,624	9,293	8,750	13,220	169	265
Past service costs	355	52	-	-	-	-
<b>Financing and investment income and expenditure</b>						
Net interest expense (including asset ceiling interest)	(104)	(18)	70,280	65,810	(4)	(1)
<b>Total post employment benefit charges to the surplus or deficit on the provision of service</b>	<b>6,875</b>	<b>9,327</b>	<b>79,030</b>	<b>79,030</b>	<b>165</b>	<b>264</b>
<b>Other post employment benefit charged to the CIES</b>						
- Return on plan assets (excluding the amount included in the net interest expense)	(11,478)	4,908	-	-	(187)	79
- Actuarial gains/losses arising from changes in demographic assumptions	(4,869)	(507)	-	(2,530)	(29)	(8)
- Actuarial gains/losses arising from changes in financial assumptions	(12,535)	(55,734)	(29,360)	(163,530)	(136)	(1,112)
- Other (including asset ceiling adjustment)	32,563	52,718	(21,511)	875	494	1,117
	3,681	1,385	(50,871)	(165,185)	142	76
<b>Total post employment benefit charged to the CIES</b>	<b>10,556</b>	<b>10,712</b>	<b>28,159</b>	<b>(86,155)</b>	<b>307</b>	<b>340</b>
<b>Movement in Reserves Statement (MIRS):</b>						
Reversal of net charges made to the CIES for post employment benefits in accordance with the Code	(10,556)	(10,712)	(28,159)	86,155	(307)	(340)
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>						
Employers' contributions payable to scheme	10,597	10,728	54,779	50,905	307	340
Retirement benefits payable to pensioners	(8,303)	(7,653)	(65,999)	(61,385)	(78)	(67)

## Assets and liabilities in relation to retirement benefits

	Group						PCC	
	Local Government Pension Scheme		Police Pension Schemes		Total Pension Schemes		Local Government Pension Scheme	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Present value of liabilities	(272,644)	(253,282)	(1,240,540)	(1,267,160)	(1,513,184)	(1,520,442)	(4,589)	(4,122)
Fair value of plan assets	386,424	351,624	-	-	386,424	351,624	6,433	5,771
<b>Sub total</b>	113,780	98,342	(1,240,540)	(1,267,160)	(1,126,760)	(1,168,818)	1,844	1,649
Interest on the effect of the asset ceiling	(5,709)	(2,004)	-	-	(5,709)	(2,004)	(96)	(24)
Changes in the effect of the asset ceiling	(108,186)	(96,494)	-	-	(108,186)	(96,494)	(1,748)	(1,625)
Other movements on the asset	(113,895)	(98,498)	-	-	(113,895)	(98,498)	(1,844)	(1,649)
<b>Total net liabilities</b>	<b>(115)</b>	<b>(156)</b>	<b>(1,240,540)</b>	<b>(1,267,160)</b>	<b>(1,240,655)</b>	<b>(1,267,316)</b>	-	-

## Reconciliation of present value of the scheme liabilities

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Opening balance at 1 April	253,282	292,875	1,267,160	1,404,220	4,122	4,745
Current service cost	6,624	9,293	8,750	13,220	169	265
Interest cost	14,754	14,314	70,280	65,810	247	237
Contributions by scheme participants	3,456	3,328	11,220	10,480	109	106
Remeasurement (gains) and losses:						
- Actuarial gains/losses arising from changes in financial assumptions	(12,535)	(55,734)	(29,360)	(163,530)	(136)	(1,112)
- Actuarial gains/losses arising from changes in demographic assumptions	(4,869)	(507)	-	(2,530)	(29)	(8)
- Other	19,880	(2,686)	(21,511)	875	185	(44)
Past service costs	355	52	-	-	-	-
Benefits paid	(8,303)	(7,653)	(65,999)	(61,385)	(78)	(67)
<b>Closing balance at 31 March</b>	<b>272,644</b>	<b>253,282</b>	<b>1,240,540</b>	<b>1,267,160</b>	<b>4,589</b>	<b>4,122</b>

## Reconciliation of fair value of scheme assets

	Group				PCC	
	Funded Assets		Unfunded Assets		Funded Assets	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Opening fair value of scheme assets at 1 April	351,624	334,022	-	-	5,771	5,245
Interest income	20,567	16,336	-	-	347	262
Remeasurement gain/(loss):						
- the return on plan assets, excluding the amount included in the net interest expense	11,478	(4,908)	-	-	187	(79)
- other	(2,995)	(229)	-	-	(210)	(36)
Contributions from employer	10,597	10,728	54,779	50,905	307	340
Contributions from employees into the scheme	3,456	3,328	11,220	10,480	109	106
Benefits paid	(8,303)	(7,653)	(65,999)	(61,385)	(78)	(67)
<b>Closing fair value of scheme assets at 31 March</b>	<b>386,424</b>	<b>351,624</b>	<b>-</b>	<b>-</b>	<b>6,433</b>	<b>5,771</b>

The total net pensions liabilities of £1,241m represent the long run commitments in respect of retirement benefits and results in the balance sheet showing net overall liabilities of £1,200m. However, the financial position of the PCC remains sound as the liabilities will be spread over many years as follows:

- The net liability on the local government scheme will be covered by contributions over the remaining working life of employees, as assessed by the scheme actuary.
- The net costs of police pensions which are the responsibility of the PCC will be covered by provision in the revenue budget and any costs above that level will be partially funded by the Home Office, under the change which came into effect from April 2006.

Actuarial losses on scheme assets represent the difference between the actual and expected return on assets, actuarial gains on scheme liabilities arise from more favourable financial assumptions. Due to the March 2022 triennial revaluation of the LGPS, there was a swing from the pension fund being in a net liability position to being in a net asset position which has resulted in an asset ceiling adjustment being made. IFRIC 14 states where there is a pension net asset an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions. As the employer has no unconditional right to a refund from the Fund, there is no economic benefit available as a refund therefore the PCC has made a judgement to limit the surplus recognised in the accounts to the present value of reductions in future contributions. This adjustment is shown in the asset and liabilities table above as other movements on the asset.

The County Council is required to have a funding strategy for elimination of deficits, under regulations effective from 1 April 2005. The strategy allows deficits to be cleared over periods up to 20 years.

The Police Pension Schemes have no assets to cover their liabilities, the Group's share of the assets in the County Council Pension Fund are valued at fair value, principally market value for investments and consist of the categories in the following table.

Group				PCC				
Fair Value of Scheme Assets				Fair Value of Scheme Assets				
31 March 2026		31 March 2025		31 March 2026		31 March 2025		
£000	%	£000	%	£000	%	£000	%	
<b>23,356</b>	<b>6.04</b>	<b>11,818</b>	<b>3.36</b>	Cash and cash equivalents	<b>389</b>	<b>6.04</b>	<b>194</b>	<b>3.36</b>
				Bonds - by sector				
0		0		- Corporate	0		0	
9,208		6,665		- Government	153		109	
0		0		- Other	0		0	
<b>9,208</b>	<b>2.38</b>	<b>6,665</b>	<b>1.90</b>	Sub total bonds	<b>153</b>	<b>2.38</b>	<b>109</b>	<b>1.90</b>
				Property - by type				
20,058		22,414		- UK property	334		368	
3,510		3,294		- Overseas property	58		54	
<b>23,568</b>	<b>6.10</b>	<b>25,708</b>	<b>7.31</b>	Sub total property	<b>392</b>	<b>6.10</b>	<b>422</b>	<b>7.31</b>
<b>50,455</b>	<b>13.06</b>	<b>44,986</b>	<b>12.79</b>	Private equity - all:	<b>840</b>	<b>13.06</b>	<b>738</b>	<b>12.79</b>
				Other investment funds:				
156,829		196,409		- Equities	2,611		3,224	
77,909		26,546		- Bonds	1,297		436	
45,380		39,291		- Infrastructure	756		645	
0		0		- Other	0		0	
<b>280,118</b>	<b>72.49</b>	<b>262,246</b>	<b>74.58</b>	Sub total other investment funds	<b>4,663</b>	<b>72.49</b>	<b>4,304</b>	<b>74.58</b>
				Derivatives:				
(281)		202		- Foreign exchange	(5)		3	
<b>(281)</b>	<b>-0.07</b>	<b>202</b>	<b>0.06</b>	Sub total derivatives	<b>(5)</b>	<b>-0.07</b>	<b>3</b>	<b>0.06</b>
<b>386,424</b>	<b>100</b>	<b>351,624</b>	<b>100</b>	<b>Total Assets</b>	<b>6,433</b>	<b>100</b>	<b>5,771</b>	<b>100</b>

## 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. Within the police schemes, the age profile of the active membership is not rising significantly, which means that the current service cost in future years will not rise significantly as a result of using the projected unit credit method.

The police officer schemes liabilities have been assessed by the Government Actuary's Department and the LGPS fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. The actuary has confirmed that for police staff, there is no reason to believe that the age profile is rising significantly. The main assumptions used in their calculations are shown in this table.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in this table. The sensitivity analyses 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 others remain constant. The assumptions of longevity, for example, assume that the life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses 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 following sensitivity analyses did not change from those used in the previous period.

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Mortality assumptions:						
Longevity at 65 for current pensioners						
Men	21.7	21.0	22.0	21.9	23.8	20.9
Women	24.6	24.1	24.0	23.9	25.0	24.7
Longevity at 65 for future pensioners						
Men	23.1	22.4	23.4	23.3	24.6	23.2
Women	26.2	25.8	25.3	25.2	26.5	25.7
Rate of inflation (CPI)	3.00%	2.75%	2.95%	2.70%	3.00%	2.70%
Rate of increases in salaries	3.70%	3.45%	3.70%	3.45%	3.70%	3.40%
Rate of increase in pensions	3.00%	2.75%	2.95%	2.70%	3.00%	2.70%
Rate for discounting scheme liabilities	6.30%	5.80%	6.10%	5.65%	6.30%	5.85%
Rate of CARE revaluation	n/a	n/a	4.20%	3.95%	n/a	n/a

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	Approximate Increase to Employers Liability	Approximate Monetary Amount	Approximate Increase to Employers Liability	Approximate Monetary Amount	Approximate Increase to Employers Liability	Approximate Monetary Amount
	%	£000	%	£000	%	£000
0.5% (PPS), 0.1% (LGPS) decrease in real discount rate	2.0%	4,894	7.0%	88,000	2.0%	94
1 year increase in member life expectancy	4.0%	10,906	2.5%	30,000	4.0%	184
0.5% (PPS), 0.1% (LGPS) increase in the salary increase rate	0.0%	227	1.0%	10,000	0.0%	4
0.5% (PPS), 0.1% (LGPS) increase in the pension increase rate	2.0%	4,711	7.0%	88,000	2.0%	91

## **Unlawful discrimination**

### Police Pension Scheme

The protection provided to some members when PPS 2015 was introduced (resulting in members closest to their normal pension age remaining in their legacy scheme) was found to be age discriminatory, further to the case of McCloud / Sargeant.

The practical effects of McCloud / Sargeant are set out below.

### Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) and The Police Pensions (Remediable Service) Regulations 2023 legislate for how the government will remedy the discrimination identified.

As a result, all members were moved to PPS 2015 from 1 April 2022, which ensures equal treatment from that point onwards. Eligible members have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022. When this choice can be made depends on whether or not the member has already retired and if not, when they intend to retire.

In addition, The Public Service Pensions Valuations and Employer Cost Cap Amendment Directions 2021 ensure 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 has led to an increase in the Police Pension Scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgement is measured through the pension valuation process, which determines employer and employee contribution rates. The 2024 Police Pension valuation is underway, although at the time of publication of these accounts the valuation report had yet to be published.

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 body 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 body in the form of a central government top-up grant.

### Employment Tribunal claims

Claimants have lodged claims for compensation for the discrimination within three groups; Aarons & Ors, Roderick & Ors and Slade & Ors. The compensation can be broken down in to two elements; injury to feelings and financial loss.

### Aarons & Ors, Roderick & Ors and Slade & Ors

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 sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under Counsel advice, but it is expected that most of these claims will be settled under the current compensation mechanism 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 liabilities in respect of compensation claims is recognised in these accounts.

## **Valuations**

Scheme liabilities will be measured through the pension valuation process, which determines employer and employee contribution rates. The last LGPS valuation took place in 2025, the police pension valuation took place in 2020 and was implemented in 2024/25.

## **Impact on the Group’s cashflow**

The objectives of the LGPS scheme, as set out in the funding strategy statement, are to keep employer’s contributions at as constant a rate as possible. Norfolk County Council has agreed a strategy with the scheme’s actuary to achieve a funding level of 100% over the next 20 years. The minimum employer contributions payable over the next year for the PCC for Norfolk Group is 17.2% (20.2% 2024/25).

Estimated employer's contributions for 2026/27 amount to £8.9m on the LGPS and £53.7m on the Police schemes.

The weighted average duration of the defined benefit obligation for the LGPS is Group 19.0 years and PCC 21.0 years, 2025/26 (Group 21.0 years, PCC 23.0 years, 2024/25) and for the Police schemes is 16.0 years, 2025/26 (16.0 years, 2024/25).

## 17. Debtors, Prepayments and Deferred Costs

	31 March 2026 £000	31 March 2025 £000
<b>Short-term debtors:</b>		
Trade receivables	2,352	1,057
Prepayments & deferred costs	4,443	4,007
Accrued income	11,067	12,224
Debtors relating to local taxation	6,155	4,352
Other receivable amounts	1,811	2,515
<b>Balance at 31 March</b>	<b>25,828</b>	<b>24,154</b>

## 18. Cash and Cash Equivalents

	31 March 2026 £000	31 March 2025 £000
Imprest accounts	45	68
Bank current accounts	440	697
Instant access deposits with banks	8,292	3,532
Deposit with a maturity date less than 3 months from acquisition	18	10,095
<b>Balance at 31 March</b>	<b>8,796</b>	<b>14,392</b>

## 19. Assets Held for Sale

	Current 2025/26 £000	2024/25 £000
<b>Balance at 1 April</b>	1,242	582
<b>Revaluations:</b>		
Retrospective valuation adjustment	-	75
<b>Assets newly classified as held for sale:</b>		
Property, plant and equipment	-	584
<b>Assets sold</b>	(584)	-
<b>Balance at 31 March</b>	<b>657</b>	<b>1,242</b>

## 20. Creditors

	Group		PCC	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£000	£000	£000	£000
<b>Short-term creditors:</b>				
Trade payables	3,550	4,373	3,550	4,373
Accruals and receipts in advance	14,020	13,146	12,491	11,725
Creditors relating to local taxation	4,432	2,975	4,432	2,975
Other payables	6,520	4,807	6,520	4,807
<b>Balance at 31 March</b>	<b>28,522</b>	<b>25,302</b>	<b>26,993</b>	<b>23,881</b>

## 21. Reconciliation of Revenue Cash Flow

Group 2024/25		PCC 2024/25			Group 2025/26		PCC 2025/26	
£000	£000	£000	£000		£000	£000	£000	£000
<b>Adjustment for non cash or cash equivalent items within deficit on provision of services:</b>								
10,340		10,340		Depreciation and impairments	7,732		7,732	
106		106		Profit and loss on disposal of fixed assets	(299)		(299)	
26,724		(76)		Movements on pension liability	20,529		(142)	
37,170		10,370			27,962		7,291	
	207		299	Increase/(decrease) in revenue creditors	3,032		2,925	
	4,212		4,212	Decrease/(increase) in revenue debtors	(2,411)		(2,411)	
	(56)		(56)	Decrease/(increase) in stocks	71		71	
	65		65	Increase/(decrease) in revenue provisions	(230)		(230)	
4,428		4,520			461		354	
<b>41,598</b>		<b>14,890</b>			<b>28,423</b>		<b>7,645</b>	
<b>The total cash flows for operating activities include:</b>								
6,346		6,346		Interest paid and similar charges	6,369		6,369	
(949)		(949)		Interest received	(1,193)		(1,193)	

## 22. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2025 £000	Financing cash flows £000	Non-cash Changes		31 March 2026 £000
			Other £000		
Long-term borrowings	36,901	(1,235)	(10,546)		25,119
Short-term borrowings	11,451	(10,000)	10,439		11,891
Lease Liabilities	674	(221)	116		569
On balance sheet PFI liabilities	49,582	(1,610)	-		47,972
<b>Total liabilities from financing activities</b>	<b>98,609</b>	<b>(13,066)</b>	<b>9</b>		<b>85,552</b>

## 23. Contingent Liabilities

### MMI Ltd

The insurance company Municipal Mutual Insurance Limited (MMI) ceased trading in 1992 and ceased to write new or renew policies. Potentially claims can still be received as the company continues to settle outstanding liabilities. A scheme of arrangement is in place; however, this arrangement will not meet the full liability of all claims and a current levy of 25% will be chargeable in respect of successful claims on MMI's customers. There are currently no open claims against Norfolk Constabulary. As this point in time, it is not possible to calculate the full amount payable on future MMI claims.

### Forensic Service Uncertainty

The validity of evidence provided by forensic testing companies to the police service is currently under investigation. It is reasonable to anticipate that some people may have been convicted of offences based on flawed data and that conviction will have had a significant impact on their personal circumstances. As a result, litigation is anticipated. At this point in time, it is not possible to assess the number of claims or the financial exposure arising from them.

### Civil Claims

When civil claims are made against the Constabulary, where possible an assessment of potential liability is made, and an associated insurance provision is raised in the financial ledgers. Provisions are regularly reviewed and where necessary the provision updated. No provision is made until a claim has been received or if it is probable that a claim will be received and is measurable. There is therefore a general underlying contingent liability where incidents have taken place but where claims have yet to be received. In these circumstances it is not possible to assess an estimate of economic outflow associated with claims yet to be received or any liability arising from statutory fines associated with these incidents.

## Validity of Historic Amendments to Defined Benefit Pension Schemes

In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II Limited*) ruled that certain historical amendments to contracted-out defined benefit pension schemes were invalid where the required actuarial confirmation had not been obtained at the time the amendment was made. The Court of Appeal upheld this judgment in July 2024.

In response to the uncertainty arising from this ruling, the UK Government has enacted the Pension Schemes Act 2026. This legislation establishes a statutory mechanism enabling pension schemes to retrospectively validate affected amendments through actuarial confirmation, where certain conditions are met.

The Local Government Pension Scheme (LGPS) is a contracted-out defined benefit scheme, and amendments made between 1997 and 2016 may fall within the scope of the *Virgin Media* judgment. National guidance indicates that the legislative remedy is expected to mitigate the risk that such amendments would result in material additional liabilities.

Work is ongoing at a national level, and within the LGPS, to assess the extent to which historical amendments are affected and to determine the appropriate application of the legislative remedy. The administering authority for the Pension Fund, supported by its actuary, is considering the implications for the Fund and any potential impact on employer liabilities. At the date of these financial statements, this assessment has not been completed.

Accordingly, it is not currently possible to determine whether there will be any impact on the liabilities of the Scheme, or to reliably estimate any such impact. On this basis, no provision has been recognised in these financial statements. The Chief Constable/PCC will continue to monitor developments and consider the outcome of the ongoing review in future reporting periods.

## Devolution of PCC Functions

Following an initial announcement in February 2025, The UK Government undertook a consultation on establishing a Mayoral Strategic Authority (MSA) across Norfolk and Suffolk, with a single directly elected Mayor. As part of the proposed devolution deal, the statutory functions of the Police and Crime Commissioners (PCCs) for both counties would be transferred to the new Mayor.

The current timeline for implementation of the mayoral model is for there to be elections for the post in May 2028. The exact manner in which the statutory duties pertaining to policing will be discharged through the English Devolution and Community Empowerment Bill that reached Royal Assent in April 2026. This

governance change is anticipated to affect financial responsibilities, though the full details of the transfer mechanisms have yet to be outlined.

Identified areas of potential contingent liability include:

- Legal proceedings - ongoing legal claims may result in liabilities, depending on outcomes and future allocation of responsibility.
- Pension obligations - pension arrangements for Norfolk and Suffolk are administered separately. Each Constabulary remains responsible for its own LGPS and PPS liabilities, though clarity is needed on accounting treatment post-transition.
- Employment liabilities - staff transfers under TUPE-like arrangements may lead to claims or disputes where liability is not yet defined.
- Shared Services - joint units and collaborative agreements between Norfolk and Suffolk Police may require review to determine future liability sharing.

As these matters cannot yet be reliably quantified, they are disclosed as contingent liabilities under IAS 37 (as adapted by the CIPFA Code). The OPCCN continues to monitor developments in consultation with legal and financial advisors. Updates will be reflected in future accounts as more detail becomes available.

## 24. Provisions

### Insurance

The PCC self-insures a number of risks up to a predetermined limit with insurance only being bought externally to cover losses beyond this. This provision is in place to finance any liabilities or losses that are likely to be incurred but uncertain as to the amounts or the dates on which they will arise.

### Employment Tribunals and Judicial Reviews

The provision balance as at 31 March 2026 relates to £118k for Employment Tribunals and £6k for Judicial Reviews. As these cases are subject to legal and other investigative proceedings no further details can be provided.

This figure has been estimated based on the professional guidance given to the PCC as to the likelihood of these claims being successful. The effect of the inaccuracy in these assumptions cannot be measured as they are based purely on professional judgement at a point in time.

### Exit Packages

The exit package provision balance as at 31 March 2026 was to provide for costs yet to be paid for employees who are expected to leave the organisation, by reason of redundancy or other agreed departure, but who had not left at the end of the year.

### Right of Use Dismantling Costs

Following the implementation of IFRS 16 many more leases are capitalised on the balance sheet. This includes the capitalisation of costs relating to dismantling and restoration due at the expiry of the lease term. These are accounted as a provision until the actual costs are incurred.

	Balance 1 April 2025 £000	Charge in year £000	Paid/ Reversed in year £000	Balance 31 March 2026 £000
Insurance claims	1,810	1,078	(791)	2,098
Employment tribunals and judicial reviews	113	48	(38)	124
Other revenue provisions	165	(6)	(1)	159
Exit packages	294	378	(578)	94
ROU Lease dismantling costs provision	699	(91)	(197)	411
<b>Total</b>	<b>3,082</b>	<b>1,408</b>	<b>(1,603)</b>	<b>2,886</b>

## 25. Leases

Leases are accounted for in accordance with IFRS 16, as required by the Code.

At the commencement date of a lease, the PCC recognises a right-of-use asset and a corresponding lease liability. The lease liability is measured at the present value of lease payments, discounted using the PCC's incremental borrowing rate.

The right-of-use asset is measured at cost and is depreciated on a straight-line basis over the shorter period of remaining lease term and useful life of the underlying asset. Lease liabilities are measured at amortised cost. Lease liabilities are remeasured where there are changes in future lease payments or lease term assumptions.

The PCC applies the recognition exemptions for short-term leases and leases of low-value assets. Rentals for these leases are expensed to the Comprehensive Income and Expenditure Statement.

Assets held under service concession arrangements (PFI) also fall within IFRS16 and these have been disclosed separately at Note 15.

### PCC as Lessee

This table shows the change in the value of right-of-use assets (including dilapidations) held under leases by the PCC, all leases relate to land and buildings:

Movements in 2024/25 £000	Movements in 2025/26 £000
<b>Historic cost or revaluation</b>	
-	1,890
1,104	-
139	-
647	151
-	(606)
<b>1,890</b>	<b>1,435</b>
<b>Balance at 31st March</b>	
<b>Depreciation and amortisation</b>	
-	770
26	-
-	(606)
744	373
<b>770</b>	<b>538</b>
<b>Balance at 31st March</b>	
1,104	1,119
<b>1,119</b>	<b>897</b>
<b>Closing net book value</b>	

This table shows the change in the value of lease liabilities during the year:

	2025/26 £000	2024/25 £000
Balance outstanding at the beginning of the year	674	-
Opening balance adjustment	-	727
Remeasurements of lease liabilities	5	41
Additions during the year	111	283
Capital repayments during the year	(221)	(377)
<b>Balance outstanding at year end</b>	<b>569</b>	<b>674</b>

The PCC incurred the following expenses and cash flows in relation to leases (excluding dilapidations):

2024/25	2025/26
£000	£000
<b>Comprehensive income and expenditure statement</b>	
48 Interest expense on lease liabilities	32
166 Expense relating to short-term leases	105
20 Expense relating to exempt leases of low-value items	10
- Variable lease payments not included in the measurement of lease liabilities	(5)
<b>Movement in reserves statement</b>	
377 Minimum Revenue Provision	221
<b>611 Total charge to the General Fund</b>	<b>362</b>
<b>Cash flow statement</b>	
611 Total cash outflow for leases	362

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

2024/25	2025/26
£000	£000
248 Less than one year	212
418 One to five years	344
472 More than five years	464
<b>1,137 Total undiscounted liabilities</b>	<b>1,020</b>

The PCC has a number of properties and some equipment on short term lease arrangements.

## 26. Earmarked Balances within the General Fund

The movements in general fund and earmarked balances in 2025/26 are analysed as follows:

		Balance				Balance
		1 April				31 March
	Note	2025	Received	Applied	Reallocated	2026
		£000	£000	£000	£000	£000
<b>Revenue reserves:</b>						
Regional Partnership	(a)	146	510	-	-	656
Budget Support	(b)	236	33	(359)	89	-
Invest to Save	(c)	768	-	-	-	768
Capital Financing & Efficiency	(d)	6,642	2,420	-	(1,089)	7,973
Insurance	(e)	856	-	-	-	856
PCC	(f)	1,452	190	(256)	-	1,386
Safety Camera	(g)	882	505	(18)	-	1,369
Community Safety Reserve	(h)	279	5	(60)	-	224
Transformation Reserve	(i)	260	-	(36)	-	224
PFI Exit Reserve	(j)	-	-	-	1,000	1,000
<b>Total</b>		<b>11,521</b>	<b>3,663</b>	<b>(728)</b>	<b>-</b>	<b>14,456</b>
<b>General Reserve</b>		<b>5,260</b>	<b>280</b>	<b>-</b>	<b>-</b>	<b>5,540</b>

The purpose and strategy for each reserve is set out below:

### (a) Regional Partnership Reserve

This reserve holds ring-fenced funds in relation to regional activity. In 2025/26, £510k net contribution to this reserve was made as a result of the net underspend in relation to the Eastern Region Special Operations Unit (ERSOU).

### (b) Budget Support Reserve

The Budget Support Reserve was re-established as a response to the Covid-19 pandemic and subsequently inflationary pressures arising from exiting the EU and the conflict in Ukraine. A significant amount of the earmarked reserve

has been used over the last 3 years as planned and the intention is still for the reserve to be fully used within the period of the MTFP.

### (c) Invest to Save Reserve

This reserve provides funding for initiatives that will generate future savings and also provides funds to support the cost of change.

### (d) Capital Financing and Efficiency Improvement Reserve

The Capital Financing Reserve and Efficiency Improvement Reserve is used to help fund the short-life asset requirement of the Capital Programme. The reserve is used when the amount required for investment exceeds the budget available for this purpose. This is an important part of the funding

strategy to ensure the constabulary is as efficient and productive as possible through continued investment in enabling technologies. This is a key reserve and forecast levels are reviewed each year against the capital programme to make sure there is sufficient funding available for future years.

**(e) Insurance Reserve**

This reserve is being held as a contingency against future increases in premiums and / or increases in the value of assessed insurance liabilities. The reserve and also the provision within the accounts are actuarially assessed by external advisors and as a result the reserve is adjusted periodically.

**(f) PCC Reserve**

This reserve is made up from previous underspends against the budgets of the Office of the Police and Crime Commissioner and the commissioning budget. The PCC reserve shown in the papers consists of several elements. The commissioning element is used to smooth commissioning spending over the MTFP period and to commission additional services in the community or delivered by the Constabulary, for instance in supporting victims. The PCC general element is for any urgent spend that has not been previously budgeted for in year.

**(g) Safety Camera Reserve**

This reserve is held on behalf of the PCC, Chief Constable and Norfolk County Council. Income is dependent upon the number of speed awareness courses delivered. The use is reviewed and agreed at the Safety Camera Oversight Board.

**(h) Community Safety Reserve**

The Police Reform and Social Responsibility Act 2011 sets out a number of ways that PCCs and Community Safety Partnerships should work together, including a mutual duty to co-operate with regards to each other's priorities. The Community Safety Reserve enables the PCC to work with the Community Safety Partnership and its respective partners to support evidence-based projects at a county wide and local neighbourhood level.

**(i) Transformation Reserve**

This reserve is held for the PCC who will draw on this reserve for engaging with the public on the progress of the Police and Crime Plan.

**(j) PFI Exit Reserve**

A PFI Exit Reserve has been established to provide for the financial risks and obligations arising at the expiry of Norfolk's PFI contracts, in accordance with prudent reserve management principles.

## 27. Unusable Reserves

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the CIES as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to and from the account. This is now calculated on a triennial basis unless in year assessments identify a material movement.

The Revaluation Reserve shows the net accumulated unrealised gains on non-current assets arising from increases in value, as a result of inflation or other factors. The reserve is debited to reflect: the revaluation element of the depreciation charge, revaluation losses or impairments against previous revaluation gains and when assets with accumulated revaluation gains are disposed of. Any balance remaining in the reserve, relating to an asset that has been disposed of, is removed from the reserve by way of a transfer to the Capital Adjustment Account.

The Capital Adjustment Account accumulates the resources that have been set aside to finance capital expenditure. The consumption of the historical cost by way of depreciation, impairment and disposal is removed from the account throughout the asset's useful life. The balance on this account therefore represents timing differences between financing and consumption of non-current assets.

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provision. The Group accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect benefits earned to be financed as the Group makes employer's contributions to pension funds or eventually pay for any pensions for which it is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements will ensure that the funding will have been set aside by the time the benefits come to be paid.

Movements in unusable reserves are summarised in the Movement in Reserves Statement and are shown in detail below:

**Group:**

	Pension Reserves	Revaluation Reserve	Capital Adj' Account	Collection Fund Adj' Account	Comp' Absences Account	Total Unusable Reserves
	£000	£000	£000	£000	£000	£000
<b>Year Ended 31 March 2026</b>						
<b>Balance at 1 April 2025</b>	<b>(1,267,316)</b>	<b>47,355</b>	<b>(30,297)</b>	<b>1,377</b>	<b>(1,422)</b>	<b>(1,250,303)</b>
Other comprehensive income and expenditure	47,190	3,342	-	-	-	50,532
<b>Total comprehensive income and expenditure</b>	<b>47,190</b>	<b>3,342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,532</b>
Amortisation of intangible assets	-	-	(71)	-	-	(71)
Depreciation on property, plant and equipment and ROU assets	-	(1,599)	(5,989)	-	-	(7,588)
Revaluation losses on property, plant and equipment	-	-	(73)	-	-	(73)
Application of capital grants from unapplied account	-	-	275	-	-	275
Net gain or loss on the sale of non-current assets	-	(191)	(683)	-	-	(873)
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(43,621)	-	-	-	-	(43,621)
Movement on the Collection Fund Adjustment Account	-	-	-	347	-	347
Capital expenditure charged to the General Fund Balance	-	-	4,576	-	-	4,576
Statutory provision for the repayment of debt	-	-	3,088	-	-	3,088
Contribution to the Police Pension Fund	23,093	-	-	-	-	23,093
Movement on the Compensated Absences Account	-	-	-	-	(107)	(107)
Use of capital receipts to fund asset purchases	-	-	1,172	-	-	1,172
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(20,529)</b>	<b>(1,790)</b>	<b>2,295</b>	<b>347</b>	<b>(107)</b>	<b>(19,783)</b>
<b>Increase / (decrease) in year</b>	<b>26,661</b>	<b>1,552</b>	<b>2,295</b>	<b>347</b>	<b>(107)</b>	<b>30,748</b>
<b>Balance at 31 March 2026</b>	<b>(1,240,655)</b>	<b>48,907</b>	<b>(28,002)</b>	<b>1,724</b>	<b>(1,529)</b>	<b>(1,219,555)</b>

	Pension Reserves	Revaluation Reserve	Capital Adj' Account	Collection Fund Adj' Account	Comp' Absences Account	Total Unusable Reserves
	£000	£000	£000	£000	£000	£000
<b>Year Ended 31 March 2025</b>						
<b>Balance at 1 April 2024</b>	<b>(1,404,392)</b>	<b>36,056</b>	<b>(29,790)</b>	<b>1,035</b>	<b>(1,513)</b>	<b>(1,398,605)</b>
Other comprehensive income and expenditure	163,800	12,925	-	-	-	176,725
<b>Total comprehensive income and expenditure</b>	<b>163,800</b>	<b>12,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,725</b>
Amortisation of intangible assets	-	-	(728)	-	-	(728)
Depreciation on property, plant and equipment and ROU assets	-	(1,625)	(6,345)	-	-	(7,970)
Revaluation losses on property, plant and equipment	-	-	(1,643)	-	-	(1,643)
Application of capital grants from unapplied account	-	-	69	-	-	69
Net gain or loss on the sale of non-current assets	-	-	(238)	-	-	(238)
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(47,093)	-	-	-	-	(47,093)
Movement on the Collection Fund Adjustment Account	-	-	-	342	-	342
Capital expenditure charged to the General Fund Balance	-	-	4,477	-	-	4,477
Statutory provision for the repayment of debt	-	-	3,768	-	-	3,768
Contribution to the Police Pension Fund	20,369	-	-	-	-	20,369
Movement on the Compensated Absences Account	-	-	-	-	92	92
Use of capital receipts to fund asset purchases	-	-	132	-	-	132
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(26,724)</b>	<b>(1,625)</b>	<b>(507)</b>	<b>342</b>	<b>92</b>	<b>(28,422)</b>
<b>Increase / (decrease) in year</b>	<b>137,076</b>	<b>11,300</b>	<b>(507)</b>	<b>342</b>	<b>92</b>	<b>148,303</b>
<b>Balance at 31 March 2025</b>	<b>(1,267,316)</b>	<b>47,355</b>	<b>(30,297)</b>	<b>1,377</b>	<b>(1,422)</b>	<b>(1,250,303)</b>

**PCC:**

	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Total Unusable Reserves £000
<b>Year Ended 31 March 2026</b>					
<b>Balance at 1 April 2025</b>	<b>(0)</b>	<b>47,356</b>	<b>(30,297)</b>	<b>1,377</b>	<b>18,436</b>
Other comprehensive income and expenditure	(142)	3,342	-	-	<b>3,200</b>
<b>Total comprehensive income and expenditure</b>	<b>(142)</b>	<b>3,342</b>	<b>-</b>	<b>-</b>	<b>3,200</b>
Amortisation of intangible assets	-	-	(71)	-	(71)
Depreciation on property, plant and equipment and ROU assets	-	(1,599)	(5,989)	-	(7,588)
Revaluation losses on property, plant and equipment	-	-	(73)	-	(73)
Application of capital grants from unapplied account	-	-	275	-	275
Net gain or loss on the sale of non-current assets	-	(191)	(683)	-	(873)
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	142	-	-	-	142
Movement on the Collection Fund Adjustment Account	-	-	-	347	347
Capital expenditure charged to the General Fund Balance	-	-	4,576	-	4,576
Statutory provision for the repayment of debt	-	-	3,088	-	3,088
Use of capital receipts to fund asset purchases	-	-	1,172	-	1,172
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>142</b>	<b>(1,790)</b>	<b>2,295</b>	<b>347</b>	<b>995</b>
<b>Increase / (decrease) in year</b>	<b>0</b>	<b>1,552</b>	<b>2,295</b>	<b>347</b>	<b>4,194</b>
<b>Balance at 31 March 2026</b>	<b>(1)</b>	<b>48,908</b>	<b>(28,002)</b>	<b>1,724</b>	<b>22,630</b>

	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Total Unusable Reserves £000
<b>Year Ended 31 March 2025</b>					
<b>Balance at 1 April 2024</b>	<b>0</b>	<b>36,057</b>	<b>(29,790)</b>	<b>1,035</b>	<b>7,301</b>
Other comprehensive income and expenditure	(76)	12,925	-	-	<b>12,849</b>
<b>Total comprehensive income and expenditure</b>	<b>(76)</b>	<b>12,925</b>	<b>-</b>	<b>-</b>	<b>12,849</b>
Amortisation of intangible assets	-	-	(728)	-	<b>(728)</b>
Depreciation on property, plant and equipment and ROU assets	-	(1,625)	(6,345)	-	<b>(7,970)</b>
Revaluation losses on property, plant and equipment	-	-	(1,643)	-	<b>(1,643)</b>
Application of capital grants from unapplied account	-	-	69	-	<b>69</b>
Net gain or loss on the sale of non-current assets	-	-	(238)	-	<b>(238)</b>
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	76	-	-	-	<b>76</b>
Movement on the Collection Fund Adjustment Account	-	-	-	342	<b>342</b>
Capital expenditure charged to the General Fund Balance	-	-	4,477	-	<b>4,477</b>
Statutory provision for the repayment of debt	-	-	3,768	-	<b>3,768</b>
Use of capital receipts to fund asset purchases	-	-	132	-	<b>132</b>
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>76</b>	<b>(1,625)</b>	<b>(507)</b>	<b>342</b>	<b>(1,714)</b>
<b>Increase / (decrease) in year</b>	<b>0</b>	<b>11,300</b>	<b>(507)</b>	<b>342</b>	<b>11,135</b>
<b>Balance at 31 March 2025</b>	<b>(0)</b>	<b>47,356</b>	<b>(30,297)</b>	<b>1,377</b>	<b>18,436</b>

## 28. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

	Current				Long-term				Total	
	Investments		Other assets		Investments		Other assets		31 March	
	31 March		31 March		31 March		31 March		31 March	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Financial Assets</b>										
Amortised cost	-	-	22,445	27,724	-	-	-	-	22,445	27,724
<b>Total Financial Assets</b>	-	-	<b>22,445</b>	<b>27,724</b>	-	-	-	-	<b>22,445</b>	<b>27,724</b>
<b>Non Financial Assets</b>	-	-	13,585	12,885	-	-	-	-	13,585	12,885
<b>Total Assets</b>	-	-	<b>36,030</b>	<b>40,608</b>	-	-	-	-	<b>36,030</b>	<b>40,608</b>

	Current				Long-term				Total	
	Borrowings		Other liabilities		Borrowings		Other liabilities		31 March	
	31 March		31 March		31 March		31 March		31 March	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Financial Liabilities</b>										
Amortised cost	11,891	11,451	12,538	12,304	25,119	36,901	5	7	49,553	60,663
<b>Total Financial Liabilities</b>	<b>11,891</b>	<b>11,451</b>	<b>12,538</b>	<b>12,304</b>	<b>25,119</b>	<b>36,901</b>	<b>5</b>	<b>7</b>	<b>49,553</b>	<b>60,663</b>
<b>Non Financial Liabilities</b>	-	-	20,408	17,580	-	-	1,287,708	1,316,122	1,308,116	1,333,702
<b>Total Liabilities</b>	<b>11,891</b>	<b>11,451</b>	<b>32,946</b>	<b>29,884</b>	<b>25,119</b>	<b>36,901</b>	<b>1,287,713</b>	<b>1,316,129</b>	<b>1,357,669</b>	<b>1,394,365</b>

No other category of financial asset or liability was held during the year and there were no instances of:

- De-recognition of financial instruments
- Unusual movements to be disclosed
- Allowance for credit losses

The gains and losses recognised in the CIES are shown in the table below:

2024/25		2025/26
Surplus or Deficit on the Provision of Services £000		Surplus or Deficit on the Provision of Services £000
	<b>Interest revenue:</b>	
(1,002)	Financial assets measured at amortised cost	(1,127)
<b>(1,002)</b>	<b>Total interest revenue</b>	<b>(1,127)</b>
<b>6,179</b>	<b>Interest expense</b>	<b>6,262</b>
	<b>Fee expense:</b>	
4	Financial assets or financial liabilities that are not at fair value through profit or loss	-
<b>4</b>	<b>Total fee expense</b>	<b>-</b>

All financial liabilities and financial assets held by the PCC are classified as loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

- For PWLB loans, the cash flows are discounted using the premature repayment rates applicable at the year-end equivalent loans
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair values of financial instruments that differ from the carrying amount are summarised here:

	31 March 2026		31 March 2025	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
<b>Financial liabilities</b>				
PWLB loan (long term)	25,119	21,544	36,901	34,409
	<b>25,119</b>	<b>21,544</b>	<b>36,901</b>	<b>34,409</b>

The fair value of borrowings in 2025/26 is lower than the carrying amount because the annuity loans are lower than the repayment rate, meaning that there are significant repayment discounts on these.

Fair values of short term trade payables and receivables, cash and cash equivalents are assumed to equal the book values and are therefore not included in the table above. These are exempt from IFRS13. The fair value of PWLB loans maturing within 12 months are also excluded as the carrying value is deemed to be fair value due to their short term nature.

Assets and liabilities are measured at fair value using the IFRS13 Fair Value market approach which uses prices and other relevant information (inputs) generated by market transactions involving similar assets or liabilities. The IFRS on Fair Value includes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three input levels as follows:

- Level 1 Inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs – unobservable inputs for the asset or liability.

We have therefore categorised the valuations of all financial assets and liabilities as Level 2 input in the IFRS 13 fair value hierarchy, there has been no movement between the levels within this and the prior financial year.

<sup>1</sup> [Annual Investment and Treasury Management Strategy](#)

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

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

The PCC'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 a central treasury team, under policies approved by the PCC in the Annual Investment and Treasury Management Strategy<sup>1</sup>. The PCC provides written principles for overall risk management, as well as written policies covering specific areas, such as 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 PCC's customers. This risk is minimised through the Annual Investment and Treasury Management Strategy which requires that counterparties meet the minimum credit ratings from three major credit rating agencies. In 2025/26, the PCC had a policy not to lend more than £10m to any individual financial institution, authority or banking group unless consent was given for a specific period of time and in exceptional circumstances. This policy is outlined on Page 34.

Recent experience has shown that it is rare for its investment counterparties to be unable to meet their commitments, therefore although a risk of non-recoverability applies to all of the PCC's deposits, there was no evidence at the 31 March 2026 that this was likely to crystallise.

Of the £2,352k outstanding from customers £80k was past its due date for payment at the year-end. The past due amount can be analysed by age as follows:

	Amount past due 2026 £000	Amount past due 2025 £000
Less than three months	61	111
Three to six months	11	6
Six months to one year	8	-
	<b>80</b>	<b>118</b>

### Liquidity risk

The PCC has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen the PCC has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB). As the PCC is required to provide a balanced budget which ensures sufficient monies are raised to cover annual expenditure, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The PCC has 14 loans with the PWLB, 11 are repayable on maturity, 3 are being repaid in half yearly instalments. The loans are due to mature between 1 and 34 years. All trade and other payables are due to be paid in less than one year.

### Refinancing and Maturity risk

The PCC maintains its debt and investment portfolio in line with the Annual Investment and Treasury Management Strategy. Whilst the cash flow procedures are considered against the refinancing risk procedures, longer-term risk to the PCC relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC approved Annual Investment and Treasury Management Strategy addresses the main risks and the treasury

management function addresses the operational risks within the approved parameters.

The PCC's financial assets held on the balance sheet all mature within one year.

### Market risk – Interest rate risk

The PCC has no significant exposure to market risk from investments. Investments are normally by way of term deposits placed at a fixed rate for a fixed period, therefore there is a risk that the market rate can change, which would lead to an impact on the fair value of the investment. However, investments are mostly placed for periods not exceeding three months, therefore the exposure to market risk is regarded as negligible.

The PCC mitigates its exposure to market risk in regards to interest expense by fixing the interest rate payable for the duration of its loans. The risk is therefore shifted to the risk on the movement of fair value that would arise when prevailing rates differ from contract rate payable. However, borrowings are not carried at fair value, so nominal gains or losses on fixed rate borrowing do not impact on the CIES.

A 1% increase in interest rates would only have a material effect on the fair value of borrowings. It would reduce the value by £1,835k.

The PCC neither invests in equity shares nor in financial assets or liabilities denominated in foreign currencies and therefore has no exposure to price risk or exchange risk.

## 29. Events After the Reporting Period

Events after the reporting period have been considered for the period from the year-end to the date the accounts were authorised for issue on .....2026. At the time of issue there were no adjusting or non-adjusting subsequent events that required disclosure.

## 30. Capital Commitments

Significant commitments under capital contracts as at 31 March 2026 are analysed as follows:

<b>2025</b>		<b>2026</b>
<b>£000</b>		<b>£000</b>
358	CCR technology	-
289	Vehicles	522
220	ICT replacements & equipment refresh	134
94	Training equipment	-
3	Bethel Street remodelling	-
3	Norfolk professional development centre	-
102	Other	97
-	Carbon management - Estates strategy	123
-	Service continuity - new generators at Diss Police Station	67
-	Vehicles - Safecam reserve	54
<b>1,069</b>	<b>Total committed</b>	<b>997</b>

## 31. Going Concern

The Police Reform and Social Responsibility Act 2011 sets out in statute the creation of the Police and Crime Commissioners and the financial responsibility they have. The concept of a going concern assumes that the functions of the PCC and the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as the Office of the Police and Crime Commissioner and the Constabulary cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

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

Through the action taken to control spending in-year in order to mitigate significant cost pressures, the Group recorded an outturn underspend of £2.609m (1.17% of Net Revenue Budget).

During 2025/26, the PCC has increased the General Reserve by £0.280m to £5.540m, at 31 March 2026 the PCC has an Invest to Save Reserve of £0.768m that in extremis would be used to manage the financial risks of major incidents.

A high-level scenario planning exercise was completed and compared against 25/26 MTFP assumptions. The budget gap for 2026/27 of £1.707m was calculated using assumptions on government funding, precept decisions, tax base growth and collection fund deficits. The guidelines to Heads of Department in regard of the Strategic & Financial Planning process (using Outcome Based

Budgeting principles) took this into account and through this process the Constabulary delivered the required savings in order to reach a balanced budget for 2026/27.

Based on the approved medium Term Financial Plan, general fund balances including earmarked reserves at 31 March 2027 are planned to be £18.463m. This remains well above our minimum level of general fund balance as set by the PCC CFO of £5.940m.

Taking into account the availability of useable reserves, the capacity to finance the current gap between external borrowing and the capital financing requirement and the ability to borrow on a short-term basis to prudently fund any temporary shortfall of cash; the PCC is able to demonstrate that he has sufficient liquid resources until 12 months from the date of authorisation of the financial statements to meet all liabilities as they fall due.

Therefore, following our review of future finances, it has been concluded that there is no material uncertainty relating to going concern.

# Police Pension Fund Accounting Statements

2024/25		2025/26	
£000	£000	£000	£000
		<b>Contributions receivable</b>	
		Employer	
	27,673	Normal	29,152
	530	Early retirements	232
	205	McCloud Remedy	39
28,408			29,423
		Members	
	10,552	Normal	11,103
10,552			11,103
		<b>Transfers in</b>	
	56	Individual transfers in from other schemes	176
56			176
		<b>Benefits payable</b>	
(50,510)		Pensions	(52,507)
(8,584)		Commutations and lump sum retirement benefits	(11,043)
-		Lump sum death benefits	(71)
(47)		Other	(54)
(59,141)			(63,675)
		<b>Payments to and on account of leavers</b>	
(119)		Refunds on contributions	(72)
(124)		Individual transfers out to other schemes	(48)
(244)			(120)
<b>(20,369)</b>		<b>Net amount payable for the year before contribution from the Police General Fund</b>	<b>(23,093)</b>
<b>20,369</b>		<b>Contribution from the Police General Fund</b>	<b>23,093</b>
-		<b>Net balance receivable for the year</b>	-

No assets are held by the pension fund and no amounts were owed to or from it as at 31 March 2026 (31 March 2025 £nil)

The actuarial valuation has set a notional employer contribution rate for the police pension schemes from 1 April 2024 at 35.3% of pensionable pay. Under the police pensions financing arrangements, a pensions top-up grant is received from the Home Office to meet the net cost of pension payments. The grant is calculated by deducting employee contributions and employer contributions assessed at this notional valuation rate from total pension expenditure. While police bodies fund employer contributions at a lower effective level in practice (historically around 21.3% of pensionable pay through core funding), the higher notional rate is applied in the grant calculation. As a result, the difference between the assumed employer contribution rate and the level effectively funded gives rise to a residual cost pressure of £11.6m in 2025/26 (2024/25 - £11.0m), which is met from the Police General Fund. The Home Office has provided additional specific grant of £5.1m funding to support the increase in employer contribution rates following the latest actuarial valuation; however, this does not fully offset the impact of the higher notional rate used in the grant calculation, giving rise to a short fall of £6.5m.

## Glossary of terms

For the purposes of the statement of accounts the following definitions have been adopted:

### Accruals basis

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

### Actual return on plan assets

The difference between the fair value of plan assets at the end of the period and the fair value at the beginning of the period, adjusted for contributions and payments of benefits.

### 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 valuations (experience gains and losses) or
- b) The actuarial assumptions have changed

### Capital expenditure

Expenditure on the acquisition of a non-current asset; or expenditure which adds to – rather than merely maintains – the value of an existing non-current asset.

### Capital Receipt

Income derived from the sale or disposal of a non-current asset.

### CIPFA

The Chartered Institute of Public Finance and Accountancy.

### Contingent liability

A contingent liability is either:

- a) A possible obligation arising from past events; it may be confirmed only if particular events happen in the future that are not wholly within the local authority's control; or

- b) A present obligation arising from past events, where economic transactions are unlikely to be involved or the amount of the obligation cannot be measured with sufficient reliability.

### Current Service Costs

The increase in pension liabilities as a result of years of service earned this year.

### 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).

### Depreciation

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

### Government grants

Part of the cost of service is paid for by central government from its own tax income. Specific grants are paid by the Home Office to the Group towards both revenue and capital expenditure.

### Group

The term Group refers to the Police and Crime Commissioner (PCC) for Norfolk and the Chief Constable (CC) for Norfolk.

### Impairment

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

### Intangible non-current assets

Intangible assets are non-financial non-current assets that do not have physical substance, but are identifiable and are controlled by the PCC through custody or legal rights.

### MHCLG

Ministry of Housing, Communities and Local Government.

**Net book value**

The amount at which non-current assets are included in the balance sheet, meaning their historical cost or current value less the cumulative amounts allowed for depreciation.

**Net realisable value**

The open-market value of the asset in its existing use (or open-market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

**Non-current assets**

Tangible and intangible assets that yield benefits to the PCC and the services it provides for more than one year.

**Outturn**

The actual amount spent in the financial year.

**Operational assets**

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

**Past Service Costs**

The increase in pension liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years.

**PCC**

References to PCC within these Financial Statements relate to the entity of the Police and Crime Commissioner for Norfolk unless otherwise stated.

**Projected Unit Credit Method**

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits

payable at a later date) and their dependants, allowing where appropriate for future increases, and

- b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit credit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

**Precept**

The proportion of the budget raised from council tax.

**Provision**

Amount set aside to provide for a liability which is likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

**PWLB**

The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies and to collect the repayments.

**Related parties**

Two or more parties are related parties when at any time during the financial period:

- a) One party has direct or indirect control of the other party; or
- b) The parties are subject to common control from the same source; or
- c) One party has influence over the financial and operational policies of the other party so that the other party might not always feel free to pursue its own separate interests; or
- d) 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.

**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, because these are not given in exchange for services rendered by employees.

### **Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **Settlement**

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to affect the settlement.

Settlements include:

- a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits;
- b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits; and
- c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

### **Useful life**

The period over which the PCC will derive benefits from the use of a non-current asset.

### **Vested Rights**

In relation to a defined benefit scheme, these are:

- a) for active members, benefits to which they would unconditionally be entitled to on leaving the scheme;
- b) for deferred pensioners, their preserved benefits;
- c) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants.