



Northamptonshire Chief Constable

Single Entity

Statement of Accounts for the year 2024/25

Date Published: 27th February 2026

NORTHAMPTONSHIRE
POLICE
Fighting Crime. Protecting People.





CONTENTS

Narrative Statement	3
Statement of Responsibilities	19
Movement in Reserves Statement	20
Comprehensive Income and Expenditure Statement.....	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Accounts	24
Expenditure and Funding Analysis.....	25
Annual Governance Statement (OCC)	65
Annual Governance Statement (Collaboration)	77
Glossary of Terms	78
Audit Report	82



NARRATIVE STATEMENT

CONTENTS

Foreword by Chief Finance Officer	3
Northamptonshire	4
Safe and Sound	4
The Chief Constable’s Strategic Plan	5
Statutory Framework.....	6
Group Boundary	6
Responsibilities	6
Operational Model.....	7
Strategy and Resources	8
Financial Performance	9
Force Operational Performance	11
External Factors	14
Outlook	15
The Financial Statements.....	16
Summary and Conclusion	18

FOREWORD BY CHIEF FINANCE OFFICER

These accounts are produced annually to give local taxpayers, employees and other interested parties clear information about Northamptonshire Police finances. They reflect the financial performance of the Office of the Chief Constable for Northamptonshire (OCC) and are in accordance with the Police Reform and Social Responsibility Act 2011. They should be read in conjunction with the accounts produced by the Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPFCC) and the Group accounts into which they are consolidated.

They are prepared on a going concern basis, assuming that the entity will continue in operation for the foreseeable future. They have been prepared in accordance with the Accounts and Audit Regulations 2015, the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice 2024/25.

The information provided also allows for an assessment of the Chief’s performance in terms of stewardship and the management of the resources entrusted to them. The accounts are, therefore, necessarily detailed with technical and explanatory notes.

The purpose of this narrative report is to offer a guide on the most important matters reported in the accounts as well as providing information about the strategic direction of the Force. It provides an explanation of the financial position and assists in the interpretation of the financial statements. It contains information about the activities of the OCC and the main influences on the financial statements to provide a link between the Police activities, Police, Fire and Crime Plan, future challenges and how these impact on its financial resources.

It includes information on the budget preparation process, final accounts, performance information, the Medium Term Financial Plan (MTFP) and other contextual information such as workforce numbers and strategic risks.



NORTHAMPTONSHIRE

The county of Northamptonshire covers an area of 913 square miles and has an estimated population of over 790,000 people. It is the southern-most county in the East Midlands region and its most populated towns are Northampton, Kettering, Corby and Wellingborough. There has been a notable increase in population in recent years with some major new housing development projects and more to come.

Prior to 2021/22, the county was serviced by seven borough/district councils. On 1 April 2021, these were consolidated into two unitary authorities (North and West Northamptonshire) through the reorganisation of local government in Northamptonshire as directed by Central Government.



SAFE AND SOUND

The Public Safety Plan for Northamptonshire 2025-2030

Safe and Sound is the Commissioner’s public safety plan, which sets out the strategic direction for police and fire services in Northamptonshire for the next five years.

The plan has one goal – to make Northamptonshire safe and sound.

The Plan is framed around three missions that span the Commissioner’s responsibilities across policing, fire and rescue, community safety and criminal justice. It is a strategy and reporting framework that will help us work in partnership to best serve victims and communities across Northamptonshire. The three missions are:

Visible and accessible community services

- Rebuilding public trust and confidence
- Increasing accessibility
- Bringing police and fire staff out into the community
- Putting prevention first

Professionalism and standards

- Setting the tone from the top
- Making sure the workforce understands and reflects the community they serve
- Putting values at the heart of everything we do
- Providing a high-quality service and support

Strong partnerships

- Tackle problems with a multi-agency approach
- Reduce reoffending
- Invest in partnerships to reduce harm
- Work collaboratively to support vulnerable people

The plan is based on a “big conversation” – focus groups and surveys that took place in communities across Northamptonshire to understand what people want and expect from their emergency services. This told us that people just want to feel safe where they live, work and visit.

The Big Conversation report and full Public Safety Plan can be found on the OPFCC website:

www.northantspfcc.org.uk



THE CHIEF CONSTABLE’S STRATEGIC PLAN

The Force Policing Plan sets out the areas of focus for Northamptonshire Police through the course of the next 3 years, working to a policing vision to make Northamptonshire the safest county in the UK.

The three areas of focus have been determined through consultation with the Federation and considered strategic analysis both locally and nationally. These are the areas of focus we need to improve and excel:

- Focus 1: Build and Maintain Trust and Confidence in Northamptonshire Police
- Focus 2: Quality of Investigation Standards
- Focus 3: Developing the workforce to close the skills gap across the force

Control Strategy

In line with the new Policing Plan, the force has replaced its Matters of Priority with a Control Strategy. The control strategy takes an intelligence approach to understanding where the force should focus its efforts.

The Control Strategy illustrates the operational thematic priorities of the Force and sets the long-term priorities for crime prevention, Intelligence, reassurance, and enforcement. It provides a framework to implement decisions on prioritising the allocation of resources.

The strategy has a number of themes; neighbourhood concerns, serious and organised crime, serious violence, vulnerability and violence against women and girls & of these ‘outer ring themes’ the force has identified areas of risk, these are:

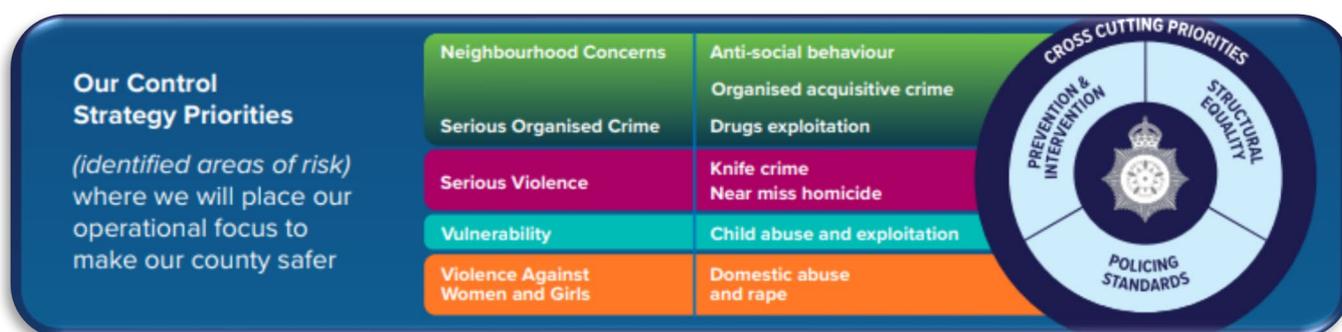
- Antisocial behaviour
- Organised and acquisitive crime
- Drug Exploitation
- Knife crime
- Near miss homicide
- Child abuse and exploitation
- Domestic abuse and rape

In addition to the areas of identified risk, 3 cross cutting priorities will be considered through all activity, these are:

- Prevention and Intervention
- Structural Equality
- Policing Standards

Performance and Accountability

The plan is underpinned by a comprehensive performance framework, using considered and relevant indicators that will enable the organisation to assess its progress in delivery against the plan. Oversight and scrutiny of delivery of the control strategy takes place through the Performance Force Executive Meeting and the Commissioner’s Accountability Board.





STATUTORY FRAMEWORK

The PFCC and Chief Constable were established as separate legal entities under the Police Reform and Social Responsibility Act 2011. The Act sets out the statutory financial framework for both entities and is supported by the Financial Management Code of Practice, which sets out their financial relationships and responsibilities.

The PFCC has overall responsibility for the finances of the group in that they receive all external funding and sets the annual budget and precept. The Chief Constable has produced this separate set of accounts which explains how the resources provided by the PFCC have been used to deliver operational policing services.

The Policing and Crime Act 2017 provided legislation to:

- Place a statutory duty on the three emergency services to collaborate
- Enable PFCCs (PCCs) to be represented on the Fire Authority
- Enable PFCCs (PCCs) to make a local case to take on governance of the fire and rescue service as the Fire Authority
- Further enable the PFCC to make a local case for fire and rescue and police to become a single organisation under a single chief officer

The transfer of governance of Northamptonshire Fire and Rescue Service (NFRS) to the PCC from the County Council took place on 1st January 2019 and the PCC thereby became the Police, Fire and Crime Commissioner (PFCC) for Policing and the Northamptonshire Commissioner Fire and Rescue Authority for Fire (NCFRA).

GROUP BOUNDARY

The Police, Fire and Crime Commissioner for Northamptonshire (Fire and Rescue Authority) Order 2018 utilised existing legislation (Specifically Section 4A of the Fire and Rescue Services Act 2004) to create a new corporation sole NCFRA, a role which is held by the Police, Fire and Commissioner, but acting as NCFRA. This legislation outlines the key responsibilities for oversight and ensuring good governance within the NCFRA.

This reflects that the government provides funding to NCFRA and is ultimately responsible for the NCFRA.

Therefore, whilst there is some commonality within the OPFCC, Chief Constable and NCFRA, they are three separate corporations sole, with Fire and Police created under separate legislation and with the responsibility to set up and maintain separate “Funds” for each organisation, with separate legal responsibilities and no ability to vire funds between them. As set out by CIPFA, there is not a requirement for the NCFRA Accounts to be included within the OPFCC group accounts.

The business case for the governance transfer included maintaining separate management arrangements and operational functions for each service but working towards sharing of some support services and buildings where it makes sense to provide better value for money for the public of Northamptonshire. This direction of travel towards shared support teams continues. The accounts of Fire and Policing are operated separately in line with the legislation.

In line with the Home Office Financial Management Code of Practice, a collaboration agreement is in place between the three separate organisations for Northamptonshire Police, Fire and Crime Commissioner to set out the arrangements for working together where it would be advantageous to the parties to do so, mirroring such collaboration arrangements that Northamptonshire Police have with other police forces.

The arrangements outlined in the legislation result in a requirement to disclose the nature of the transactions between OPFCC and the NCFRA and this is provided within the related parties note within the statement of accounts. Most of this note relates to governance services provided by the Office of the PFCC to Fire, and charges for services and shared staff between Fire and Policing.

RESPONSIBILITIES

The Police Reform and Social Responsibility Act 2011 and the Financial Management Code of Practice for the Police (England) describe the high-level responsibilities and the working financial relationship between the PFCC and the Chief Constable, summarised as:

The Police, Fire and Crime Commissioner:

- Appoints the Chief Constable and may suspend them or require them to resign or retire
- Must maintain the Police Force and ensure that it is efficient and effective



- Must issue a Police and Crime Plan
- Must hold the Chief Constable to account for their actions and those of their officers and staff
- Receives all income from grants, precept and charges

The Chief Constable:

- Holds office as a servant of the crown and is not an employee
- Has direction and control over police officers and is the employer of police staff
- Is operationally independent
- Must have regard to the Commissioner’s Police and Crime Plan
- Holds no property, rights or liabilities.
- May not borrow money

OPERATIONAL MODEL

Our People

At 31st March 2025, the Chief Constable’s budgeted establishment was 2,643 FTE. The analysis is shown in the table below:

Category of employee	2023/24	2024/25
Police Officers	1,501	1,501
Police Community Support Officers (PCSOs)	80	80
Police Staff*	1,014	1,062
Total	2,595	2,643

*This includes staff employed under the CCO but where costs are shared with NCFRS (Fire).

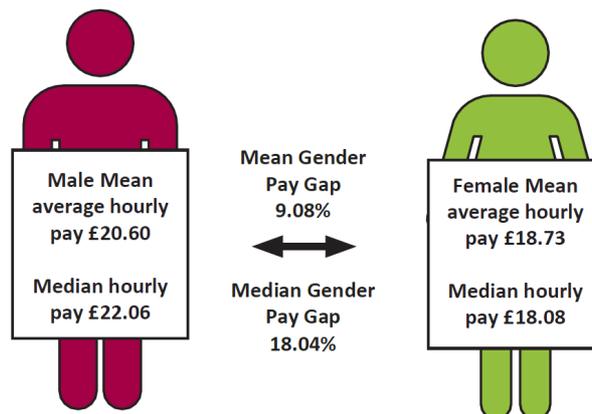
In addition to this the Force has officers and staff seconded to national and regional projects and employs a number of dedicated PCSOs, funded by local partners.

Gender Pay Gap

It is statutory for organisations with 250 or more employees to report annually on their gender pay gap. The latest report, which is produced to cover the whole group including force and OPFCC staff, shows that 51.32% of the workforce is female.

The report also shows the difference in the average pay between all men and women in a workforce. Our mean average gender pay gap is 9.08% which lower than the national average of 14.3% and an improvement on the previous year.

Northamptonshire OPFCC and OCC support the fair treatment and reward of all staff, irrespective of gender. Our pay approach is based on the principles of consistency, fairness and transparency, supporting the fair treatment and reward of all staff, irrespective of gender.



Appointments

In May 2024, Danielle Stone was elected as the Police, Fire and Crime Commissioner for a 4-year term.

Ivan Balhatchet had been Acting Chief Constable since 17th October 2023 and was permanently appointed on 1st February 2025.

Ash Tuckley undertook the role of Temporary Deputy Chief Constable from 10th June 2024 having previously been Assistant Chief Constable.

Emma James and Adam Ward were appointed as Temporary Assistant Chief Constables from 10th June 2024.

Paul Bullen continued as ACO Enabling Services.

Nick Alexander continued as Interim Chief Finance Officer and was permanently appointed on 11th November 2024.

In the OPFCC, Vaughan Ashcroft continued as the Interim Chief Finance Officer and was permanently appointed on 28th October 2024. Monitoring Officer, Jonny Bugg continued in post throughout the year. These roles also cover Northamptonshire Commissioner Fire and Rescue Authority (NCFRA).



STRATEGY AND RESOURCES

2024/25 Budget

In 2024/25, in line with the response to the public consultation, the PFCC increased the precept by £13, which was the maximum available without triggering a referendum. This increase was used to invest in operational priorities and frontline policing requirements identified by the Chief Constable.

In 2025/26, the PFCC again increased the precept by the maximum available which was £14.

Medium Term Financial Plan

The PFCC’s medium term financial plan (MTFP) is regularly reviewed and updated in line with the following established principles:

- To make the best use of available resources
- To maximise income and funding
- To target expenditure and investments to priorities and value for money opportunities
- To exploit fixed assets to deliver maximum value
- To optimise delivery costs
- To provide sufficient financial reserves in the context of unprecedented uncertainty, transformation and change

The latest MTFP shows that the PFCC has produced a balanced budget for 2025/26 utilising earmarked reserves and with notable savings requirement. There is a plan underway to deliver the required savings needed over the medium term.

MTFP	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m
Expenditure	197.6	205.5	212.8	217.3	222.8
Savings Plans	(3.4)	(4.2)	(5.2)	(6.2)	(7.3)
	194.2	201.3	207.6	211.1	215.5
Funding	(194.2)	(198.7)	(203.8)	(208.9)	(214.1)
Shortfall	(0.0)	2.6	3.8	2.2	1.4

Reserves

Under legislation, all usable reserves are held by the OPFCC, but details are included here for context as most funds are held to directly support policing.

The Reserves Strategy is reviewed each year as part of the budget and outlines a guideline level for General

Reserves of 3% with a minimum level of 2.5%. The PFCC maintains a General Reserve in line with this level, which is £5.3m as at 31st March 2025. It is prudent to have such a reserve to enable the organisation to withstand unexpected events which may have financial implications.

In addition to the General Reserve, the PFCC holds a number of earmarked reserves for specified purposes, and these are set out in the Reserves Strategy. The Strategy is then reviewed after the outturn position has been finalised.

The level of all cash backed reserves including funds held on behalf of regional units as at 31st March 2024 totalled £23.8m, increasing marginally to £23.9m at 31st March 2025.

Estates

Under legislation, all estates assets are held by the OPFCC, but details are included here for context as most properties are used for policing.

Despite some significant progress in recent years, Northamptonshire Police continues to operate with a number of aging buildings.

Work has been progressing for some time to replace the vehicle workshop with a new facility shared with Fire on an existing police site, and construction is due to commence during 2025/26.

Following consultation on the Public Safety Plan, the Estates strategy is changing in line with the commitment from the Police, Fire and Crime Commissioner and the Chief Constable to base police officers and staff in the heart of the community. This is focused on neighbourhood teams, and public access and enquiry desks but also has some impact on our response and investigation teams. It includes plans for new town centre bases in Corby and Kettering, along with hubs in other towns, partnering with other agencies. There are also options being explored regarding the aging Weston Favell police station.

The Estates Strategy is managed jointly with fire by Enabling Services to maximise opportunities for efficiencies across services.



Collaboration

The Home Office has actively encouraged collaborative working between Police Forces and Fire Authorities. The Forces and Police Authorities/PCCs within the East Midlands Region (Northamptonshire, Derbyshire, Leicestershire, Lincolnshire and Nottinghamshire) have collaborated on a wide range of activities both formally and informally for over 10 years.

The collaboration agenda is underpinned by 5 guiding principles:

- that local policing remains local
- any collaboration helps deliver more efficient and/or effective policing for Northamptonshire
- all areas of business are considered
- decisions not to participate in a particular collaboration are reviewed regularly, as circumstances may change
- any cost and/or benefits are shared between participating Forces

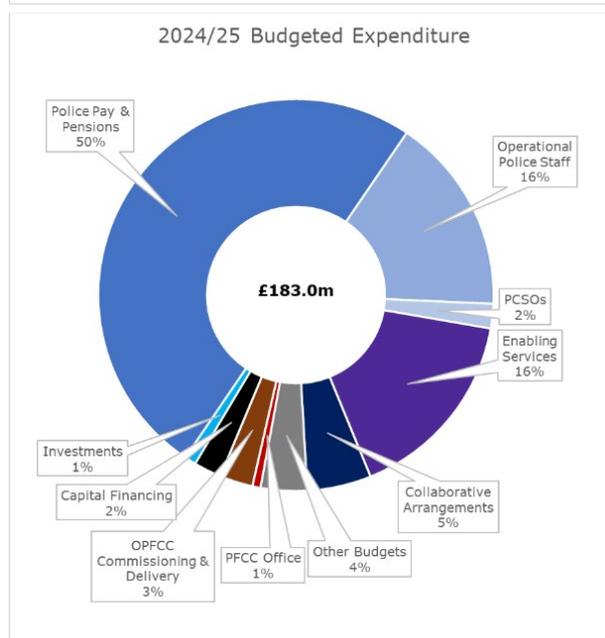
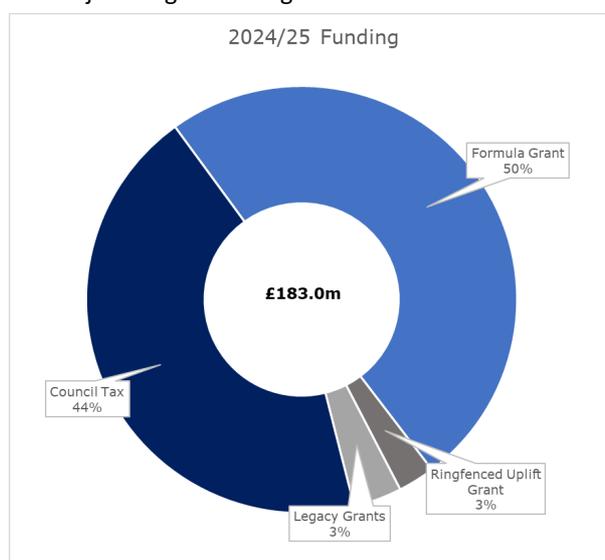
FINANCIAL PERFORMANCE

The Group Revenue Budget

Funding

Funding for the Police service is through a combination of government grant and precept (council tax). In 2024/25 the council tax element was based on a tax base of 258,512 properties at £306.04 at Band D. This was an increase of £13 per property compared to 2023/24.

A breakdown of this funding and its distribution across the major budget headings is as follows:



*Subject to rounding



In 2024/25, the PFCC continued to invest in Northamptonshire Police and maintain officer numbers at over 1,501.

In addition to funding of officer uplift, the 2024/25 budget included ring-fencing the sum of over £1.8m for the Chief Constable to support new areas of investment.

The OPFCC Commissioning and Delivery Budget continued to include substantial investment in order to:

- Prioritise work to support victims and the vulnerable
- Take forward initiatives to reduce domestic violence
- Work with partners to take forward initiatives to reduce re-offending
- With increased investment to continue to prioritise Early Intervention and engagement work
- To continue to prioritise targeted Youth Intervention and engagement work, including increasing capacity in neighbourhoods
- Continue work on crime prevention and Safer Streets
- Maximise use of available grant funding to deliver new initiatives such as Immediate Justice and ASB Hotspots

Rigorous budgetary control arrangements are in place together with a devolved system of budgetary control, which ensured resources were allocated to priorities as required. Monthly control reports on budgetary performance for the group are scrutinised.

Group Revenue Outturn

The total budget envelope for the OPFCC Group, including the OCC in 2024/25 was £183.0m. The provisional year-end outturn is as follows:

2024/25 Group Budget	Variance £m
Chief Constable	(1.06)
OPFCC (inc. Commissioning & Delivery)	(0.09)
Core Funding	0.12
Over/(Under)	(1.03)

Budget Outturn of the Chief Constable

The PFCC allocated £177.3m for the Chief Constable, including £1.8m for new investment and a cashable efficiency savings target of £0.8m.

The Chief Constable underspent by £1.06m as follows:

2024/25 Force Budget	Variance £m
Police Officers and PCSOs	(0.97)
Operational Policing	0.63
Control Room	0.06
Enabling Services	(0.36)
Central Budgets	(0.32)
Collaboration Units	(0.10)
Over/(Under)	(1.06)

Points of note contributing to the provisional year-end variance include:

- Officer recruitment profiles were expected to be significantly higher than the final position, which resulted in a significant underspend on police officer pay
- Turnover savings of police staff posts
- Investment interest was higher than budgeted
- There were pressures on overtime due to pay awards and a limited impact from volumetric changes, much of which has been addressed as a pressure within the 2025/26 budget



FORCE OPERATIONAL PERFORMANCE

The Chief set out Key Performance Questions for 2024/25 with 29 KPIs, as summarised in the following tables.

DRUG HARM					
Key Performance Indicator		Baseline	Mar25 position	KPI Outturn	
KPQ1	<i>To what extent are we protecting our communities from drugs harm?</i>				
KPI1	Efficiently dismantle and disrupt County Lines and Local Drug Lines operating in the county through impactful activity (Major to Minor)	51.6%	47.4%	Not Met	
KPI2	Improve intelligence quality for acquisitive crime (Burglary, Vehicle Crime, Shoplifting)	% sent for rework	7.9%	4.7%	Met
KPQ2	<i>To what extent are we reducing Neighbourhood crime and disorder in our communities?</i>				
KPI3	Reduce Anti-Social Behaviour repeat demand	5.7%	6.2%	Not Met	
KPI4	Reduce Neighbourhood crime victimisation: (i) Reduce neighbourhood crime* levels at a greater rate than the national average, to (ii) Improve our rate per 1000 population to at least top third of forces nationally or better <i>(*Residential burglary, all vehicle crime, personal robbery and theft from person)</i>	National	Northants		
				Met	
		Baseline	Mar25 position		
		Rate per 1k	8.89	8.38	Met
	Position	25	27	Not Met	
KPQ3	<i>How well are we supporting victims of Neighbourhood crime and disorder?</i>				
KPI5	Improve Positive Outcomes secured overall (OC1-8) for neighbourhood crime offence investigations and specifically charges	PO rate	4.8%	3.8%	Not Met
		Charge rate	4.2%	3.5%	Not Met
KPI6	Improve satisfaction with overall service for neighbourhood crime types	Res Burglary	77.8%	78.1%	Met
		Vehicle crime	63.2%	65.7%	Met
		ASB	63.1%	58.0%	Not Met

SERIOUS AND ORGANISED CRIME (SOC)					
Key Performance Indicator		Baseline	Mar25 position	Assessment	
KPQ4	<i>To what extent are we reducing the threat of Serious Organised Crime (SOC) in our county?</i>				
KPI7	Increase understanding and improve safeguarding actions attributed to <u>vulnerability</u> within SOC (Crime recorded)	Crime volume	1894	2351	Met
		PO rate MSHT	3.4%	7.0%	Met
		PO rate CSA/ CSE	22.20%	17.90%	Not Met
KPI8	Improve intelligence quality for SOC linked <u>vulnerability</u> (child exploitation, modern slavery/human trafficking, Immigration) - Rework needed	8%	3%	Met	



KPQ5	<i>To what extent are we disrupting SOC offenders and/or bringing them to justice?</i>			
KPI9	Increase persons charged for SOC related offences	872	1171	Met
KPI10	Increase confiscations and forfeitures under POCA legislation	£982,183.68	£990,124.87	Met

VIOLENCE AGAINST WOMEN AND GIRLS (VAWG)					
Key Performance Indicator		Baseline	Mar25 position	Assessment	
KPQ6	<i>To what extent are we protecting women and girls from harm?</i>				
KPI11	Reduce repeat victimisation levels of Domestic Abuse, Rape and Other Sexual Offences through proactive and preventative policing	DA	41.9%	37.1%	Met
		Rape	22.4%	22.3%	Met
		OSO	12.1%	11.8%	Met
KPI12	Achieve an arrest rate for domestic abuse above the most recent national average and above our pre Covid baseline (32%) - rolling 12m rate	35.2%	40.7%	Met	
KPI13	Improve the use of protective powers for VAWG offences in a timely manner (DVPOs, DVDS, SHPOs, SPOs)	539	987	Met	
KPI14	Increase the number of proactive interventions (predatory males / suspicious vehicles / vulnerable persons safeguarded) completed by police	561	353	Not Met	
KPQ7	<i>How well are we supporting victims of VAWG through our investigations?</i>				
KPI15	Improve overall positive outcomes (OC1-8) and specifically charges for VAWG victims (DA, Rape & Other Sexual Offences)	DA charges	6.8%	6.4%	Not Met
		Rape charges	4.1%	6.0%	Met
		OSO charges	3.3%	8.7%	Met
KPI16	Improve the quality of service we provide to victims of VAWG	Satisfaction	89.6%	81.3%	Not Met
		VCOP	72.9%	73.1%	Met

SERIOUS VIOLENCE				
Key Performance Indicator		Baseline	Mar25 position	Assessment
KPQ8	<i>To what extent are we reducing the threat of serious violence in the county?</i>			
KPI17	Reduce the volume of most serious knife crime	659	561	Met
KPI18	Reduce the overall volume of robbery offences	737	690	Met
KPQ9	<i>To what extent are we preventing future offending?</i>			
KPI19	Reduce repeat perpetrators of knife crime (local definition)	20.9%	21.4%	Not Met
KPI20	Reduce u18 involvement in most serious violence (s18, S20, Homicide, Attempted murder, Robbery, aggravated burglary) - victims, suspects, offenders	450	392	Met



KPQ10	<i>To what extent are we providing a quality investigation and outcome?</i>				
KPI21	Improve overall positive outcome rate, specifically charges, for serious violence offences (MSV)	PO Rate	16.9%	15.3%	Not Met
		Charge rate	14.7%	14.8%	Met
KPI22	Improve the quality of service we provide to victims of violence	Satisfaction	78.4%	77.1%	Not Met
		VCOP	76.8%	80.0%	Met

SERVICE DELIVERY					
Key Performance Indicator		Baseline	Mar25 position	Assessment	
KPQ11	<i>To what extent are we there for communities when they need us?</i>				
KPI23	Improve accessibility and visibility of policing within the county	SOH Reports	25,848	38,030	Met
		Visibility	62.8%	66.7%	Met
KPI24	Attend G1 incidents promptly and within the SLA	G1 Urban	62.8%	53.7%	Not Met
		G1 Rural	68.1%	62.6%	Not Met
KPQ12	<i>How well are we protecting people from harm?</i>				
KPI25	Reduce repeat victimisation (Crimes excluding Rex)	8.5%	5.4%	Met	
KPI26	Reduce Victim Based Crime levels at a faster rate than peers to achieve a rate of crime per 1000 people in line with the top third of forces nationally	National		Northants	
			-2.3%	-3.3%	Met
		Baseline		Mar25 position	
		Rate per 1k	69.5	63.8	Met
		Position	25	20	Not Met
KPI27	Provide an appropriate service and response to people in need of mental health support (overall assessment)	S136 detentions	493	321	Met
		Op Alloy involvement	77.1%	71.3%	Not Met
KPQ13	<i>To what extent are we providing a quality investigation and outcome?</i>				
KPI28	Improve the outcomes profile for Victim Based Crimes	PO Rate	10.9%	11.3%	Met
		Charge Rate	6.2%	8.5%	Met
KPI29	Improve the quality of service we provide to victims of crime resulting in high levels of victim satisfaction	Satisfaction	75.8%	71.4%	Not Met
		VCOP	86.3%	85.4%	Not Met



His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

In February 2024, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) published their PEEL (Police Effectiveness, Efficiency and Legitimacy) assessment.

HM Inspector's summary was as follows:

"I am pleased with some aspects of Northamptonshire Police's performance in keeping people safe, reducing crime and providing victims with an effective service. But there are areas in which it needs to improve.

Since our last inspection, the force has made a concerted effort to review and improve its performance. In particular, it has improved how it communicates with its communities to identify local problems and gather intelligence. The force has made improvements in most areas and I commend the force for the progress it has made.

But I have concerns about how the force is investigating crime. We were concerned that offenders may not always be brought to justice and that victims weren't always getting the most appropriate outcomes. For example, the force doesn't always follow national policy on issuing community resolutions in cases of intimate partner domestic abuse. We alerted the force about this problem at the time of our inspection, and since then it has started work to address our concerns. We will continue to monitor performance in this area."

Chief Constable Ivan Balhatchet said:

"The Force is continuing to move in the right direction from our last inspection in 2021 and we are a very long way now from the 2019 inspection report which identified some very serious gaps in performance and led to us spending a period in special measures.

We took the findings from the last inspection and have worked hard to improve across a wide range of areas and while there is still work to do, there are a lot of positives to be drawn from this report.

This Force and policing in general have never been under more scrutiny than it has over the past couple of years, so it is especially encouraging to see how well we have been assessed in terms of our legitimacy, the way we use powers and treat the public with fairness and respect."

The Accountability Board

The accountability for performance and service delivery is undertaken through the Accountability Board. Members of the board are the Commissioner (the Chair), the Monitoring Officer, the Chief Constable and other Chief Officers. There is a formal agenda which will have a schedule of assurance in the form of standard agenda items. These will be discussed and agreed with the Force at an agenda setting meeting.

The records of the Accountability Board are published on the OPFCC website. Areas for discussion and accountability include:

- Focus on areas of concern in performance and service delivery at a strategic level
- Discussions between the Force and the OPFCC in respect of the strategic budget setting and medium-term financial planning
- Strategic consideration of key identified corporate level risks and scrutiny activity

Review of Complaints against the Force

All PCCs became the relevant review body for less serious complaints and were given additional oversight and accountability responsibilities in relation to the complaints process. Prior to the implementation of the Policing and Crime Act 2017, a complaint was only considered recordable where it related to the conduct of a specific officer. Post February 2020, the definition of a complaint has been updated to 'any expression of dissatisfaction'.

The OPFCC Customer Service Team is responsible for the receipt and recording of complaints against the Force, the informal resolution of low-level complaints and for ensuring that all reviews are appropriately processed and considered. By taking responsibility for recording complaints, the PFCC has a clearer overview of the issues that are causing concern to the public. Any lessons to learn are now captured on a force-wide basis and passed to the Chief Constable to support on-going improvements.

EXTERNAL FACTORS

National Perspective

One of the PFCC key roles is to lobby central Government on behalf of the public in Northamptonshire. During the year, the PFCC continued to lobby for both a fairer funding settlement from the funding formula review and the opportunity to set a precept level based on local needs and



circumstances. PFCCs await information on the potential precept flexibility and grant levels beyond 2025/26 which will need to be considered in terms of affordability for local taxpayers and long term sustainable funding for policing in the future. The spending review announcements in Spring 25 provided some high level information on funding across government departments to assist future planning.

Central Government

The Home Secretary produces the Strategic Policing Requirement, which outlines the resources and capabilities that are required for Northamptonshire to support any national efforts to prevent and deter threats to National Security.

The PFCC has a statutory duty to have regard to this and continues to ensure that Northamptonshire contributes to the national agenda with appropriate levels of resourcing whenever required. This includes lobbying the Government (in particular, the Home Office and Ministry of Justice) for change that will make a difference to the safety of residents in Northamptonshire.

Local Perspective

The public ultimately hold policing to account. At local level taxpayers vote for the PFCC in each policing geographical area as well as paying for the police element of the council tax.

Before deciding on the level of precept, the PFCC undertook as wide a range of consultation as possible to obtain the views of Northamptonshire residents.

The highlights from the consultations informed the PFCC precept proposals and the consultation reports are available on the OPFCC website.

OUTLOOK

Risks and Opportunities

There are some significant areas of uncertainty which include:

The Spending Review (SR)

This is a governmental process carried out by HM Treasury to set firm expenditure limits and, through public service agreements, define the key improvements that the public can expect from these resources. Following the change in government, only

one year funding was announced in Dec 24, with a commitment to provide a multi-year announcement in Spring 25. The Chancellor made some high level announcements in June 2025 which gave an indication of funding levels for the Home Office and Policing. These assumptions are being modelled into medium term planning, but there is still considerable uncertainty and the full impact of this will not be determined until the 2026/27 funding settlement is released in December 2025.

Economy

The lasting effects of the conflicts in Gaza and Ukraine, and the pandemic have all had an impact on the national and international economies and cost of living. More recent, the impact of USA import tariffs and other decisions are having an impact on the economic situation worldwide. In the UK, we continue to face higher costs of living and inflation rates than the Bank of England target.

Police Funding Formula

Funding to Police is by way of national police grants and local council tax precept. There are significant differences between force areas in terms of what funding is provided locally and nationally.

The police allocation formula (PAF) is essentially a calculation that uses various data sources (such as population density) to share money between police authorities in England and Wales.

The National Police Funding Formula was “frozen” in 2011/12 and includes population is a key factor in the allocations.

His Majesty’s Inspectorate of Constabulary (HMICFRS) issue annually the Value for Money profiles which reflect that Northamptonshire’s central police grant per head of population is way below the national average.

Changing Demand

Northamptonshire is a very fast-growing county – its population has grown higher than national levels over a number of years. Over the past 10 years, the population in the county grew by 11.4% compared to 5.9% across England. Increasing population and the demographics of those changes bring policing challenges. Together with the issue of more complex and changing demands on the police, it is essential that resources are prioritised to meet these challenges.



HMICFRS

The most recent inspection findings and improvements are outlined earlier in the narrative statement. There has been a great amount of focus by the Force on areas for improvement, and the HMICFRS recognises the progress that has been made.

Medium Term Financial Outlook

Whilst the 2025/26 budget has been balanced, this is predicated on a level of savings and efficiencies and there are further shortfalls identified over the medium term. The force has already begun to identify savings to meet this challenge and work to identify further savings continues.

To ensure continuous investment in the force with uncertain funding streams in the future, the PFCC has set the force an annual 1% efficiency target. The PFCC has committed that efficiencies can be reinvested by the force into new opportunities and demands.

S114 Assessment

A Section 114 notice, issued under the Local Government Finance Act 1988, signifies that a local authority in England anticipates its expenditure will exceed its income, making it unable to balance its budget. This notice essentially declares that the Authority is facing a financial crisis and cannot make new spending commitments, with limited exceptions.

Based on our financial assessment and modelling, we do not consider that a s114 notice will be likely in the foreseeable future.

Enabling Services and Joint Working

Both the Police, Fire and Crime Plan and the Fire and Rescue Plan demonstrate the commitment of the PFCC, the CC and NCFRA to actively seek opportunities to work together to deliver more efficient and effective public services.

THE FINANCIAL STATEMENTS

The accounts are prepared using International Financial Reporting Standards (IFRS). Although these are the same standards that a large company would use in preparing its financial statements, some adjustments to costs are applied where they are not a charge to local taxpayers.

This document contains the accounts of the Chief Constable as well as supplementary information, which should be read in conjunction with the OPFCC accounts and are consolidated into the group position.

The key sections are as follows:

Primary Statements

Movement in Reserves Statement (MiRS)

This statement shows the movement in the year on the different reserves held by the PFCC. It shows how the deficit/(surplus) for the year in the Comprehensive Income and Expenditure Statement is adjusted by the costs that are not a charge to local taxpayers.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the income and expenditure accounting cost in the year of providing services under IFRS.

Balance Sheet (BS)

The balance sheet shows the PFCC's assets, liabilities and reserve balances at the financial year end date.

Cash Flow Statement

This statement shows the reason for changes in cash balances during the year and the balance held by the PFCC at the end of the financial year.

Key Disclosures

Notes to the Financial Statements

These include information required by the Code and additional material items of interest to assist the reader's understanding of the reported figures.

Events after the reporting period and authorised for issue date

This summarises any major events that happened between the year-end and the authorised-for-issue date. Events coming to light after the authorised-for-



issue date will not be included in the financial statements.

Accounting Policies

These outline the principles used for how we account and prepare our financial statements.

Glossary of financial terms

The nature of this document means that technical words are unavoidable. The glossary is intended to simplify and explain such words.

Statement of Provisions

Provisions are made where an event has taken place that gives the PFCC a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. These accounts include a number of provisions, detailed in the Notes to the Financial Statements.

Pensions

The PFCC's staff, Police Staff and Police Officers are offered retirement benefits as part of their terms and conditions of employment. Although these benefits will not actually be payable until employees retire, International Accounting Standard (IAS) 19 requires that the commitment to make future payments is disclosed at the time that employees and officers earn their future entitlement.

The PFCC and Chief Constable participate in two pension schemes:

The Police Pension Scheme (PPS)

This is an unfunded defined benefit final salary scheme for police officers administered by the Chief Constable on behalf of the PFCC. There are no investment assets built up to meet the pension liabilities and cash has to be generated from employee and employer contributions to meet actual pension payments as they fall due. Under the Police Pensions Fund Regulations 2007 if the amounts receivable by the pensions fund for the year is less than amounts payable, the PFCC must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If, however, the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the PFCC, who then must repay the amount to central government.

The Local Government Pension Scheme (LGPS)

This is offered to all staff employed by the PFCC and Chief Constable and is administered locally by West Northamptonshire Council. This is a funded defined benefit final salary scheme and both employers and employees pay contributions calculated at a level intended to balance the pension liabilities with investment assets.

Material and unusual charges

The accounts conform to proper practice and contain full and frank disclosures of all material sums.

Supplementary Statements

Annual Governance Statement (AGS)

This statement explains how the PFCC complies with the Code of Corporate Governance. Preparation and publication of the Statement fulfils statutory requirements under the Accounts and Audit Regulations 2011 to conduct a review at least once in each financial year of the effectiveness of the system of internal control and to include a statement reporting on the review with the Statement of Accounts.

Police Pension Fund Account

The Police Pension Scheme is unfunded and holds no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account.



SUMMARY AND CONCLUSION

Despite the tight financial climate and future challenges, the PFCC Group continues to demonstrate a strong track record of effective financial management and delivering outturn within the approved budget. However, there is a long-term financial impact of economic uncertainty to consider which will continue to be monitored very closely.

The budgeting process continues to develop with rigorous challenge from both the Chief Constable and the PFCC.

The Chief Constable is committed to ensuring that improvements required as part of recommendations from HMICFRS do not lose momentum and ensure the best services can be delivered for the public of Northamptonshire. As described above, the progress so far is significant, and the building blocks are in place for the Force to become one of the most effective in the country.

The Force Strategy, underpinned by the Safe and Sound Plan, commits to ensuring investment in policing is focussed in the areas highlighted by the public. The financial outlook remains challenging, but Northamptonshire is already well prepared in meeting these challenges. Fire and Police will continue to actively seek and implement opportunities to work together to deliver more efficient and effective public services.

We are confident that the PFCC, Chief Constable and their respective leadership teams will continue to deliver strong and effective financial management in order to maintain an appropriate level of funding for essential operational services in Northamptonshire.

Nick Alexander
Chief Finance Officer (s151)
Date: 26/02/2026

Ivan Balhatchet
Northamptonshire Chief Constable
Date: 26/02/2026



STATEMENT OF RESPONSIBILITIES

The PFCC's Responsibilities

The PFCC is responsible for holding the Chief Constable to account to ensure financial management of the Police service is adequate and effective and that a sound system of internal control is in place including arrangements for risk management. The OPFCC must make arrangements for the proper administration of its financial affairs and to ensure that one of its officers, namely the CFO, has the responsibility for that administration.

The PFCC also has a specific responsibility to sign the Statement of Accounts following review by the Joint Independent Audit Committee meetings.

The Chief Finance Officer's Responsibilities

The CFO to the PFCC is responsible for the preparation of the OPFCC's Group Accounts in line with statutory best practice set out in the CIPFA/LASAAC Code of Practice on Local Accounting in Great Britain ("The Code") and the Accounts and Audit Regulations 2015.

The accounts are required to present fairly the financial position of the OPFCC at the accounting date and its income and expenditure for the year ended 31st March 2025.

In preparing this Statement of Accounts, the Section 151 Officer:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25
- Kept proper accounting records which are up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

The Role of the Chief Constable

The Chief Constable, assisted and advised by his Chief Finance Officer, is responsible for day-to-day financial management of the Force and for ensuring that the Force stays within its approved revenue and capital budgets, in accordance with the financial framework agreed by the Police, Fire and Crime Commissioner.

Northamptonshire Police Finance Department staff under the supervision of, and with the assistance of the PFCC's Office, carries out the preparation of the accounts and liaises with the external auditors, Grant Thornton UK LLP, during the audit process.

Chief Finance Officer Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Office of the Chief Constable as at 31st March 2025 and the income and expenditure for the year ended 31st March 2025.

Nick Alexander
Chief Finance Officer (s151)

Ivan Balhatchet
Northamptonshire Chief Constable

Date: 26/02/2026

Date: 26/02/2026



MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the OCC, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The ‘Surplus or deficit on the provision of services’ line shows the true economic cost of providing the OCC’s services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The ‘Net Increase or Decrease before Transfers to Earmarked Reserves’ line shows the statutory General Fund balance before any discretionary transfers to or from earmarked reserves undertaken.

Chief Constable	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2024	-	-	-	1,057,989	1,057,989
Movement in reserves during 2024/25					
Surplus/(deficit) on the provision of services	18,327	-	18,327	-	18,327
Other Comprehensive (Income)/Expenditure	-	-	-	(121,032)	(121,032)
Total Comprehensive (Income)/Expenditure	18,327	-	18,327	(121,032)	(102,705)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(18,327)	-	(18,327)	18,327	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	-	-	-	(102,705)	(102,705)
Transfers (to)/from Earmarked Reserves	-	-	-	-	-
(Increase)/Decrease in 2024/25	-	-	-	(102,705)	(102,705)
Balance at 31 March 2025	-	-	-	955,284	955,284

Chief Constable	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2023	-	-	-	1,019,784	1,019,784
Movement in reserves during 2023/24					
Surplus/(deficit) on the provision of services	24,397	-	24,397	-	24,397
Other Comprehensive (Income)/Expenditure	-	-	-	13,808	13,808
Total Comprehensive (Income)/Expenditure	24,397	-	24,397	13,808	38,205
Adjustments between accounting basis and funding basis under regulations (Note 6)	(24,397)	-	(24,397)	24,397	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	-	-	-	38,205	38,205
Transfers (to)/from Earmarked Reserves	-	-	-	-	-
(Increase)/decrease in 2023/24	-	-	-	38,205	38,205
Balance at 31 March 2024	-	-	-	1,057,989	1,057,989



COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This account summarises the resources that have been generated and consumed in providing services and managing the OCC during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

2023/24			Chief Constable	2024/25		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
180,392	(41,191)	139,201	Policing Services	182,284	(46,473)	135,811
-	-	-	Police, Fire & Crime Commissioner	-	-	-
-	-	-	Commissioning	-	-	-
180,392	(41,191)	139,201	Cost of Services	182,284	(46,473)	135,811
-	(160,922)	(160,922)	Intra-Organisational Adjustment	-	(165,024)	(165,024)
-	-	-	Other Operating Expenditure (Note 7)	-	-	-
46,799	(681)	46,118	Financing and Investment Income and Expenditure (Note 8)	48,396	(856)	47,540
-	-	-	Taxation and Non-Specific Grant Income (Note 9)	-	-	-
227,191	(202,794)	24,397	(Surplus)/Deficit on Provision of Services	230,680	(212,353)	18,327
-	-	-	(Surplus)/Deficit on Revaluation of Non-Current Assets	-	-	-
-	-	13,808	Actuarial (Gains)/Losses on Pension Schemes	-	-	(121,032)
-	-	13,808	Other Comprehensive (Income) and Expenditure	-	-	(121,032)
-	-	38,205	Total Comprehensive (Income) and Expenditure	-	-	(102,705)



BALANCE SHEET

This account shows the overall financial position of the OCC at 31st March 2025. It therefore differs from the other financial accounts shown in this statement in that it deals with the position of the OCC at the end of the financial year instead of dealing with day-to-day transactions within that financial year.

31/03/2024 £000	Note	31/03/2025 £000
-	Property, Plant and Equipment	18
-	Intangible Assets	23
-	Long Term Investments	-
-	Long Term Assets	-
-	Short-term Investments	-
-	Assets Held for Sale	20
-	Inventories	27
-	Short Term Debtors	26
-	Cash and Cash Equivalents	33
-	Current Assets	-
(2,969)	Short Term Creditors	29
-	Short-term Borrowing	39
-	Provisions	28
(2,969)	Current Liabilities	(1,654)
-	Long Term Borrowing	42
(1,055,020)	Other Long Term Liabilities	43
(1,055,020)	Long Term Liabilities	(953,630)
(1,057,989)	Net Assets	(955,284)
-	Usable Reserves	16
1,057,989	Unusable Reserves	17
1,057,989	Total Reserves	955,284

Signed:

Nick Alexander
Chief Finance Officer (s151)

Ivan Balhatchet
Northamptonshire Chief Constable

Date: 26/02/2026

Date: 26/02/2026



CASH FLOW STATEMENT

This statement shows a summary of the cash flowing in and out of the OCC arising from transactions with third parties for revenue and capital purposes. Cash is defined for this statement as cash in hand and deposits repayable on demand.

2023/24 £000		2024/25 £000
24,397	Net (Surplus)/Deficit on Provision of Services	18,327
(24,397)	Adjustments to net surplus/deficit on the provision of services for non cash movements (Note 34)	(18,327)
	Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities (Note 34)	-
	- Net cash flows from Operating Activities	-
	- Investing Activities (Note 35)	-
	- Financing Activities	-
	- Net (increase) or decrease in cash & cash equivalents	-
	- Cash and cash equivalents at the beginning of the reporting period	-
	- Cash and cash equivalents at the end of the reporting period	-



NOTES TO THE ACCOUNTS

Note 1 - Critical Judgements in Applying Accounting Policies	26
Note 2 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty.....	26
Note 3 - Events after the Balance Sheet Date.....	27
Note 4 - Officers’ Remuneration.....	28
Note 5A - Note to the Expenditure and Funding Analysis	31
Note 5B - Segmental Analysis of Income and Expenditure.....	32
Note 5C - Expenditure and Income Analysed by Nature	32
Note 6 - Adjustments between Accounting Basis and Funding Basis under Regulations.....	33
Note 7 - Other Operating Expenditure	35
Note 8 - Financing and Investment Income and Expenditure.....	35
Note 9 - Taxation and Non-Specific Grant Income	35
Note 10 - Material Items of Income and Expense	35
Note 11 - Trading Operations	35
Note 12 - Members’ Allowances.....	35
Note 13 - External Audit Costs	35
Note 14 - Grant Income	36
Note 15 - Related Parties	36
Note 16 - Transfers to/from Earmarked Reserves.....	37
Note 17 - Unusable Reserves	37
Note 18 - Property, Plant and Equipment.....	38
Note 19 - Impairment Losses	38
Note 20 - Assets Held for Sale.....	38
Note 21 - Investment Properties	38
Note 22 - Leases.....	39
Note 23 - Intangible Assets	39
Note 24 - Capital Expenditure and Capital Financing	39
Note 25 - Construction Contracts	39
Note 26 - Debtors	39
Note 27 - Inventories	39
Note 28 - Provisions.....	39
Note 29 - Creditors	39
Note 30 - Capitalisation of Borrowing Costs.....	40
Note 31 - Contingent Liabilities	40
Note 32 - Contingent Assets	40
Note 33 - Cash and Cash Equivalents.....	40
Note 34 - Cash Flow from Operating Activities.....	40
Note 35 - Cash Flow from Investing Activities	41
Note 36 - Termination Benefits	41
Note 37 - Pension Schemes Accounted for as Defined Contribution Schemes	41
Note 38 - Financial Instruments.....	47
Note 39 - Joint Operations & Associate Entities	47
Note 40 - Accounting Standards Issued, Not Adopted	47
Note 41 - Restatements.....	48
Note 42 - Borrowing	48
Note 43 - Other Long Term Liabilities.....	48



EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the OPFCC and Force. Income and expenditure accounted for under generally accepted accounting practices is presented in the Comprehensive Income and Expenditure Statement.

2023/24			Chief Constable	2024/25		
Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES		Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
114,804	24,397	139,201	Policing Services	117,484	18,327	135,811
-	-	-	OPFCC & Commissioning	-	-	-
-	-	-	Non-Distributed Costs	-	-	-
114,804	24,397	139,201	Cost Of Services	117,484	18,327	135,811
(160,922)	-	(160,922)	Intra-Organisational Adjustment	(165,024)	-	(165,024)
46,118	-	46,118	Other Income and Expenditure	47,540	-	47,540
-	24,397	24,397	(Surplus)/Deficit on the Provision of Services	-	18,327	18,327
-			Opening Combined General Fund Balance	-		
-			(Surplus)/Deficit on the General Fund	-		
-			Closing Combined General Fund	-		



Note 1 - Critical Judgements in Applying Accounting Policies

In applying its accounting policies, the Authority has made judgements about complex transactions and those involving uncertainty about future events. These judgements are significant in understanding the financial statements and are set out below.

Classification of Joint Operations

Following a review of the governance and operational arrangements, the Authority has concluded that joint venture activities should be recognised within the accounts of the Office of the Police, Fire and Crime Commissioner (OPFCC), rather than those of the Chief Constable. This treatment more accurately reflects the substance and control of the arrangement.

The Authority has reviewed the governance and operational arrangements relating to joint venture activities. Following this review, it has been determined that these activities should be recognised within the accounts of the Office of the Police, Fire and Crime Commissioner (OPFCC), rather than in the accounts of the Chief Constable. This treatment best reflects the substance of the arrangement and the extent to which the OPFCC exercises control.

Management considers participation in regional joint ventures to be a strategic commissioning decision. The commissioning responsibility for such arrangements rests with the Police, Fire and Crime Commissioner (PFCC), not the Chief Constable. As a result, the OPFCC is the appropriate entity to recognise and account for the associated transactions.

In addition, the legal and governance framework underpinning the joint venture requires PFCC approval for participation. The Chief Constable does not hold delegated authority to independently enter into such arrangements. This demonstrates that the OPFCC holds overarching control and therefore should account for the joint operations.

Use of OPFCC Assets and Scope of IFRS 16

Management has exercised judgement in determining whether the Chief Constable's use of OPFCC-owned assets gives rise to a lease within the scope of IFRS 16. Although OPFCC assets are used operationally by the Chief Constable, there is no enforceable contract or agreement that conveys a legally enforceable right to use specifically identified assets.

In the absence of such an arrangement, management has concluded that the Chief Constable does not obtain the right to control the use of OPFCC assets within the meaning of IFRS 16. Consequently, no lease is recognised in the Chief Constable's financial statements. The assets continue to be recognised by the OPFCC as the legal and accounting owner.

Note 2 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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



The items in the OCC’s Balance Sheet as at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two firms of consulting actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied. In addition, for the Local Government Pension Scheme (LGPS), the net position may be further affected by the <i>asset ceiling adjustment</i>. This adjustment is applied when the calculated surplus on the LGPS cannot be recognised in full because the Authority does not have an unconditional right to realise that surplus as an economic benefit. The size of the adjustment depends on long-term funding assumptions and the projected future service contribution requirements of the scheme.</p>	<p>The assumptions interact in complex ways. During 2024/25, the Authority’s actuaries advised that the OCC’s net pension liability had decreased by £101.39k as a result of updated estimates. The asset ceiling adjustment for 2024/25 was £56.705m, reflecting the difference between the calculated LGPS surplus and the amount that can be recognised under IAS 19. Changes to underlying assumptions—such as return expectations, future contribution requirements or regulations governing the recovery of surpluses—could materially increase or decrease this adjustment. If laws and regulations surrounding the management of the Police Pension Scheme were to change, the maximum additional liability the OCC could face would be £953.63m, being the total pension liability recorded on the balance sheet.</p>

Note 3 - Events after the Balance Sheet Date

The statement of accounts was authorised for issue by the Chief Finance Officer in June 2025 and no post-balance sheet event had been reported at this date.



Note 4 - Officers' Remuneration

Employee Remuneration

In accordance with the Code of Practice, the number of employees whose remuneration was paid in year, excluding pension contributions, exceeded £50,000 or more in the year, were as follows:

2023/24		2024/25		
Total	£'s	Officers	Police Staff	Total Employees
259	50,000 to 54,999	239	59	298
129	55,000 to 59,999	147	20	167
98	60,000 to 64,999	104	22	126
36	65,000 to 69,999	71	7	78
7	70,000 to 74,999	15	4	19
3	75,000 to 79,999	5	3	8
6	80,000 to 84,999	4	2	6
4	85,000 to 89,999	2	1	3
6	90,000 to 94,999	3	1	4
2	95,000 to 99,999	5	3	8
3	100,000 to 104,999	2	-	2
-	105,000 to 109,999	-	-	-
-	110,000 to 114,999	1	-	1
-	115,000 to 119,999	-	-	-
1	120,000 to 124,999	1	-	1
1	125,000 to 129,999	-	-	-
-	130,000 to 134,999	-	1	1
-	135,000 to 139,999	-	-	-
1	140,000 to 144,999	1	-	1
-	145,000 to 149,999	-	-	-
-	150,000 to 154,999	-	-	-
1	170,000 to 174,999	-	-	-
-	175,000 to 179,999	1	-	1
557		601	123	724

The disclosure above includes senior officers and requires the outlining of total taxable pay, including personal Additional Voluntary Contributions, whereas the Senior Officers table overleaf outlines the entire remunerations by post. Therefore, the two tables are not completely comparable which will result in differing bandings if the two are compared.



Senior Officers of the organisation requiring disclosure by post or name were:

2024/25 Post Holder Information	Start Date	Leaving date	Salary £	Expense Allowances (1) £	Other (2) £	Total Excluding Pension £	Employers Contribution £	Total Including Pension £
Nick Adderley - Chief Constable ⁽³⁾	01/04/23	21/06/24	42,361	-	-	42,361	-	42,361
Ivan Balhatchet - Chief Constable ⁽⁴⁾	17/10/23		171,622	-	4,784	176,406	51,735	228,141
Deputy Chief Constable	10/06/24		139,406	416	4,139	143,961	46,747	190,708
Assistant Chief Constable	10/06/24		95,646	122	3,465	99,233	35,313	134,546
Assistant Chief Constable	10/06/24		117,085	69	3,758	120,912	37,881	158,793
Assistant Chief Officer	01/12/20		131,101	-	7,677	138,778	25,302	164,080
Chief Superintendent	01/10/18		10,392	-	368	10,760	3,625	14,385
Chief Superintendent	17/09/21		110,662	86	-	110,748	38,066	148,814
Chief People Officer	03/04/23		92,408	-	-	92,408	17,835	110,243
Chief Finance Officer ⁽⁵⁾	22/12/23		96,545	-	-	96,545	18,648	115,193

⁽¹⁾ Expenses Allowances include taxable and non-taxable expenses

⁽²⁾ Other includes Rent Allowance, Housing Allowance, Car Allowance, Relocation Allowances.

⁽³⁾ Nick Adderley, who served as Chief Constable from 6th August 2018, temporarily retired from Northamptonshire Police in February 2023, returning in April 2023. This brief break was necessitated by pension regulations affecting officers with 30 years of service, which would have otherwise made continued employment financially unviable.

⁽⁴⁾ The Current Chief Constable was Acting Chief Constable from 17th October 2023 until he was confirmed in post on the 1st February 2025, following the dismissal for gross misconduct of the previous postholder in June 2024.

⁽⁵⁾ The Chief Finance Officer began in this role on an interim basis on 22nd December 2023, transitioning to a permanent appointment on 11th November 2024.



2023/24 Post Holder Information	Start Date	Leaving date	Salary £	Expense Allowances (1) £	Other (2) £	Total Excluding Pension £	Employers Contribution £	Total Including Pension £
Nick Adderley - Chief Constable ⁽³⁾	01/04/23		170,821	-	-	170,821	-	170,821
Ivan Balhatchet - Interim Chief Constable ⁽⁴⁾	17/10/23		80,411	-	2,514	82,925	24,927	107,852
Deputy Chief Constable	19/12/22	15/10/23	62,022	-	3,946	65,968	14,812	80,780
Temporary Assistant Chief Constable	31/03/20		118,262	446	6,521	125,229	34,214	159,443
Assistant Chief Officer	01/12/20		124,089	-	7,010	131,099	24,570	155,669
Chief Superintendent	30/03/23		95,325	39	4,299	99,663	29,426	129,089
Chief Superintendent	01/10/18		99,302	406	5,274	104,982	30,766	135,748
Chief Superintendent	17/09/21		98,348	341	2,639	101,328	30,460	131,788
Chief People Officer	03/04/23		80,178	-	-	80,178	15,875	96,053
Chief Finance Officer	21/05/18	21/12/23	59,799	-	-	59,799	11,840	71,639
Interim Chief Finance Officer	22/12/23		25,585	-	-	25,585	5,066	30,651

⁽¹⁾ Expenses Allowances include taxable and non-taxable expenses

⁽²⁾ Other includes Rent Allowance, Housing Allowance, Car Allowance, Relocation Allowances.

⁽³⁾ Nick Adderley, who served as Chief Constable from 6th August 2018, temporarily retired from Northamptonshire Police in February 2023, returning in April 2023. This brief break was necessitated by pension regulations affecting officers with 30 years of service, which would have otherwise made continued employment financially unviable.

⁽⁴⁾ The Deputy Chief Constable became Acting Chief Constable from 17th October 2023 for the rest of the year when the substantive Chief Constable was suspended from duty.



Note 5A - Note to the Expenditure and Funding Analysis

2024/25	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	-	(19,642)	1,315	(18,327)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	-	(19,642)	1,315	(18,327)
Joint Venture & Associates	-	-	-	-
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus)/Deficit in the Comprehensive Income and Expenditure Statement	-	(19,642)	1,315	(18,327)

2023/24	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	-	(22,871)	(1,526)	(24,397)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	-	(22,871)	(1,526)	(24,397)
Joint Venture & Associates	-	-	-	-
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus)/Deficit in the Comprehensive Income and Expenditure Statement	-	(22,871)	(1,526)	(24,397)



Note 5B - Segmental Analysis of Income and Expenditure

2024/25	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(17,961)	(856)	-	-
OPFCC & Commissioning	-	-	-	-
Total	(17,961)	(856)	-	-

2023/24	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(15,592)	(681)	-	-
OPFCC & Commissioning	-	-	-	-
Total	(15,592)	(681)	-	-

Note 5C - Expenditure and Income Analysed by Nature

2023/24 £000	Nature of Expenditure or Income	2024/25 £000
	Expenditure	
135,899	Employee Benefit Expenses	143,313
44,493	Other Services Expenses	38,971
-	Depreciation, amortisation, Impairment	-
46,799	Interest Payments	48,396
-	Precepts and Levies	-
-	Gains/losses on the Disposal of Non-Current Assets	-
227,191	Total Expenditure	230,680
-	Intra Company Adjustment (Expenditure)	-
227,191	Total Expenditure (Including Intra Company)	230,680
	Income	
(15,592)	Fees, Charges and Other Service Income	(17,065)
(681)	Interest and Investment Income	(856)
-	Income from Council Tax & Non-Domestic Rates	-
(25,599)	Government Grants and Contributions	(29,408)
(41,872)	Total Income	(47,329)
(160,922)	Intra Company Adjustment (Income)	(165,024)
(202,794)	Total Income (Including Intra Company)	(212,353)
24,397	(Surplus) or Deficit on the Provision of Services	18,327



Note 6 - Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024/25	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustment to the Revenue Resources		
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements	-	-
Pension Cost (transferred to (or from) the pensions reserve)	(19,642)	19,642
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-
Council Tax and NDR (transfers to or from the collection Fund)	-	-
Holiday Pay (transferred to the Accumulated Absences Reserve)	1,315	(1,315)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	-	-
Total Adjustments to Revenue Resources	(18,327)	18,327
Adjustments between Revenue and Capital Resources		
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	-	-
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-
Total Adjustments between Revenue and Capital Resources	-	-
Other Adjustments	-	-
Total Adjustments	(18,327)	18,327



2023/24	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustment to the Revenue Resources		
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements	-	-
Pension Cost (transferred to (or from) the pensions reserve)	(22,871)	22,871
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-
Council Tax and NDR (transfers to or from the collection Fund)	-	-
Holiday Pay (transferred to the Accumulated Absences Reserve)	(1,526)	1,526
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	-	-
Total Adjustments to Revenue Resources	(24,397)	24,397
Adjustments between Revenue and Capital Resources		
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	-	-
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-
Total Adjustments between Revenue and Capital Resources	-	-
Other Adjustments	-	-
Total Adjustments	(24,397)	24,397



Note 7 - Other Operating Expenditure

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 7 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 8 - Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
-	Interest payable and similar charges	-
46,799	Net interest on the net defined benefit liability/(asset)	48,396
(681)	Interest receivable and similar income	(856)
46,118	Total	47,540

Note 9 - Taxation and Non-Specific Grant Income

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 9 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 10 - Material Items of Income and Expense

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 10 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 11 - Trading Operations

The OCC does not have any trading operations. All commercial activities have been outsourced.

Note 12 - Members’ Allowances

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 12 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 13 - External Audit Costs

The OCC incurred direct external audit fees as follows for audit work on the Statement of Accounts, which is a statutory requirement.

2023/24 £000		2024/25 £000
48	Scale fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	54
48	Total	54



Note 14 - Grant Income

The OCC credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

Grant Income Credited to Taxation and Non-Specific Grant Income and Expenditure

2023/24 £000	2024/25 £000
- Revenue Support Grant	-
- Council Tax Legacy Grant	-
- Capital Grants and Contributions	-
- Section 31 Grants	-
- Total	-

Credited to Services

2023/24 £000	2024/25 £000
(15,973) Pension Top Up Grant	(16,635)
(1,273) Pensions Grant	(4,547)
(2,623) Uplift Grant	(3,934)
(3,148) Pay Award Grant	(1,561)
(1,309) ACPO (TAM)	(1,421)
(1,185) Additional Uplift Grant	(1,008)
- Special Grant (Op Cobb)	(240)
(88) Other Grants	(62)
(25,599) Total	(29,408)

Note 15 - Related Parties

IPSAS20 Related Party Disclosures, based on IAS24, requires the OCC to disclose material transactions and outstanding balances with related parties – bodies or individuals that have the potential to control or influence the OCC or to be controlled or influenced by the OCC.

Central Government has effective control over the general operations of the OPFCC and therefore the OCC. It is responsible for providing the statutory framework within which the Group operates and provides the majority of funding in the form of general or specific grants. Details of government grants are set out in Note 14 to the Core Financial Statements.

NCFRA (Fire) and Police collaborate on operational and non-operational activities. Shared support services teams are in place for a number of services and shared accommodation in Darby House. During 2024/25, net revenue costs of £3.578m were charged by Police to NCFRA.

A separate collaboration agreement is in place which sets out the governance arrangements for existing and future collaborative activities between OPFCC, the Chief Constable (CC) and NCFRA. This agreement is due to be reviewed in 2025/26.



Both the OPFCC and the OCC maintain a register of business interests, and the Business Interest Policy sets out the criteria for deciding whether the Business Interest is compatible with the individual’s role within the organisation.

Key members of staff in the OPFCC, JIAC and Police are required, at the end of each year, to declare whether they, or any member of their immediate family have any related party transactions (i.e. significant financial dealings) with the OPFCC during the financial year. All returns and disclosures were received and reviewed by both s151 officers.

A review of accounts payable and receivable transactions has been undertaken which confirms that no payments have been made to or from employees of the organisations other than in line with contracts of employment.

Northamptonshire Police and the PFCC work closely with Regional and National and other public sector partners in the course of their business (see Note 39).

Note 16 - Transfers to/from Earmarked Reserves

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 16 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 17 - Unusable Reserves

2023/24 £000		2024/25 £000
	- Revaluation Reserve	-
	- Capital Adjustment Account	-
	- Collection Fund Adjustment Account	-
1,055,020	Pension Reserve	953,630
	- Deferred Capital Receipt Reserve	-
2,969	Accumulated Absences Account	1,654
1,057,989	Total	955,284

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The OCC accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the OCC makes employer’s contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve, therefore, shows a substantial shortfall in the benefits earned by past and current employees and the resources the OCC has 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.



2023/24 £000		2024/25 £000
1,018,341	Balance 1 April	1,055,020
13,808	Re-measurements of the net defined benefit (liability)/asset	(121,032)
63,806	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	65,483
(40,935)	Employer's pensions contributions and direct payments to pensioners payable in the year	(45,841)
1,055,020	Balance 31 March	953,630

Accumulated Absences Account

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. For example, annual leave entitlements carried forward as at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24 £000		2024/25 £000
1,443	Balance 1 April	2,969
(1,443)	Settlement or cancellation of accrual made at the end of the preceding year	(2,969)
2,969	Amounts accrued at the end of the current year	1,654
2,969	Balance 31 March	1,654

Note 18 - Property, Plant and Equipment

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 18 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 19 - Impairment Losses

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 19 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 20 - Assets Held for Sale

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 20 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 21 - Investment Properties

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 21 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.



Note 22 - Leases

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 22 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 23 - Intangible Assets

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 23 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 24 - Capital Expenditure and Capital Financing

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 24 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 25 - Construction Contracts

At 31st March 2025 the OCC had no construction contracts in progress as the Office for the Police, Fire & Crime Commissioner (OPFCC) is the owner of all contracts. Please refer to Note 25 of the OPFCC’s Group Statement of Accounts for further information.

Note 26 - Debtors

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 26 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 27 - Inventories

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 27 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 28 - Provisions

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 28 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 29 - Creditors

These amounts represent sums owed by the OCC to various sources, together with receipts in advance.

Total 31 March 2024 £000	Creditors	Total 31 March 2025 £000
(2,969)	Accumulated Absence Accrual	(1,654)
(2,969)	Total	(1,654)



Note 30 - Capitalisation of Borrowing Costs

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 30 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 31 - Contingent Liabilities

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 31 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 32 - Contingent Assets

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 32 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 33 - Cash and Cash Equivalents

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 33 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 34 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2023/24 £000	2024/25 £000
(681) Interest received	(856)
- Interest paid	-
(681) Total	(856)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/24 £000	2024/25 £000
- Depreciation	-
- Increase/(decrease) in asset valuations	-
- Amortisation	-
(1,526) (Increase)/decrease in creditors	1,315
- Increase/(decrease) in debtors	-
- Increase/(decrease) in inventories	-
(22,871) Movement in pension liability	(19,642)
- Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-
- Other non-cash movements charged to the surplus or deficit on provision of services	-
(24,397) Total	(18,327)

The surplus or deficit on the provision of services has been adjusted for the following items which are investing and financing activities:



2023/24 £000		2024/25 £000
-	Any other items for which the cash effects are investing or financing cash flows	-
-	Total	-

Note 35 - Cash Flow from Investing Activities

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 35 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 36 - Termination Benefits

The OCC has taken account of termination benefits in accordance of IAS 19. The termination benefits are dealt with separately from other employee benefits because the event which gives rise to an obligation is the termination rather than employee service.

The OCC would have incurred costs if the termination was either a decision to terminate an employee's employment prior to their retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

The OCC terminated the contract of four employees in 2024/25, summarised below:

Exit Package Cost Band (including Special Payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total cost of Exit Packages in each Band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
	FTE	FTE	FTE	FTE	FTE	FTE	£000	£000
£0 - £20,000	-	-	1	3	1	3	20	19
£20,001 - £40,000	-	-	1	1	1	1	34	30
Total	-	-	2	4	2	4	54	49

Note 37 - Pension Schemes Accounted for as Defined Contribution Schemes

a) Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the OPFCC and OCC offer retirement benefits. Although these benefits will not actually be payable until the employees retire, there is a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Group participates in pension schemes for both Police Staff and Police Officers, as follows:

The Local Government Pension Scheme for Police Staff, administered by West Northamptonshire Council. This is a funded scheme, meaning that the OPFCC and OCC pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The actuary to



the fund is Hymans Robertson LLP. The OPFCC and OCC schemes are pooled under one LGPS pension group

- The Police Pension Scheme for Police Officers includes the following pension schemes; the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and Police Pension Scheme 2015 (PPS). All schemes are administered by XPS on behalf of the Group. These are unfunded, meaning that there are no investment assets built-up to meet the pension's liabilities, and cash has to be generated to meet actual pension's payments as they eventually fall due. These are defined benefit schemes (lump sum payments and periodic pension). New funding arrangements commenced on 1 April 2006 that required a police pension fund account to be created. This account is credited with employer contributions, and any shortfall over retirements benefits paid is met by a contribution by the OPFCC, which is in turn met by Home Office Pensions Top Up Grant. If there is a surplus, it is paid to the OPFCC in the first instance before being recouped by the Home Office. The levels of pension contribution rates are set nationally by the Home Office, following review by the Government Actuary's Department (GAD)

The Local Government Pension Scheme contributions payable by employers are determined by the actuary to the Pension Fund based on triennial valuations, the most recent of which was at 31st March 2023 which changed the level of contributions from 2023/24. The level of contributions payable during the year reduced in alignment to the valuation by 0.5% from 2024/25.

(b) Transactions Relating to Retirement Benefits

Under IAS 19, the cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Account when employees earn them, rather than when the benefits are actually paid as pensions. However, the charge that is required to be made against the precept is based on the cash payable in the year, by reversing the real cost of retirement benefits out of the Statement of Movement in Reserves in the General Fund Balance.

Pensions liabilities and future considerations

The current service costs contained in the table below are part of the following values contained within the Comprehensive Income and Expenditure Statement.

- Local Government Pension Scheme: within Police Staff Pay and Allowances
- Police Pension Scheme: within Police Officer Pay and Allowances



Group Pensions Revenue Items

Comprehensive Income and Expenditure	Local Government Pension Scheme		Police Pension Scheme		TOTAL	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
	£000	£000	£000	£000	£000	£000
Net Cost of Services						
Current service cost	(7,178)	(7,281)	(9,750)	(9,680)	(16,928)	(16,961)
Unfunded	-	-	-	-	-	-
Past service cost/Transfers in	(39)	(126)	(40)	-	(79)	(126)
Net Operating Expenditure						
Interest Costs**	(9,807)	(10,258)	(46,880)	(49,450)	(56,687)	(59,708)
Expected return on employers' assets**	9,888	11,312	-	-	9,888	11,312
Net Charge to the Income and Expenditure Account	(7,136)	(6,353)	(56,670)	(59,130)	(63,806)	(65,483)
Return on plan assets (excluding the amount included in the net interest expense)	11,414	(7,214)	-	-	11,414	(7,214)
Actuarial gains and losses arising on changes in demographic assumptions	1,217	367	-	1,580	1,217	1,947
Actuarial gains and losses arising on changes in financial assumptions	14,073	38,468	21,760	121,380	35,833	159,848
Other	(6,927)	2,021	(33,850)	(360)	(40,777)	1,661
Total remeasurements recognised in Other Comprehensive Income (OCI)	19,777	33,642	(12,090)	122,600	7,687	156,242
Movement In Reserves						
Movement on Pensions Reserve	19,706	(35,210)	(34,890)	(101,390)	(15,184)	(136,600)
(Reversal of net charges made for retirement benefits in accordance with IAS 19)						
Actual amount charged against Council Tax (General Fund Balance) for pensions						
Contributions to the Scheme	7,065	7,921	(24,500)	37,920	(17,435)	45,841

** The net of interest costs and return on assets reconciles to the amount included within financing and investment income and expenditure on the face of the CIES.

In accordance with the Code of Practice and the Police Service Expenditure Analysis the items within the table above are credited / debited to the CIES in the following ways:

- Current Service Costs & Employers contributions to the scheme and additional contributions to the Police Pensions Fund Account are all apportioned across the Local Policing to National Policing headings by officer numbers
- Past Service Costs are wholly included within the heading Policing Services
- Interest Costs and Expected Return on Employers Assets are included within Financing & Investment Income & Expenditure



Assets and Liabilities in relation to Retirement Benefits

Reconciliation of the Present Value of the Schemes Liabilities:

	Funded Liabilities Local Government Pension Scheme		Unfunded Liabilities Police Pension Scheme	
	31 Mar 24 £000	31 Mar 25 £000	31 Mar 24 £000	31 Mar 25 £000
Opening Defined Benefit Obligation 1st April	(204,699)	(209,707)	(1,020,130)	(1,055,020)
Current Service Cost (net up for employee contributions)	(7,178)	(7,281)	(9,750)	(9,680)
Interest Cost	(9,807)	(10,258)	(46,880)	(49,450)
Contributions by Scheme Participants	(2,308)	(2,683)	(7,380)	(7,870)
Actuarial (Gains)/ Losses	8,363	40,856	(12,090)	122,600
Past Service (Costs)/ Gains	(39)	(126)	(40)	-
(Losses)/ Gains on Curtailments	-	-	-	-
Transfers in	-	-	-	-
Estimated Unfunded Benefits Paid	3	3	-	-
Estimated Benefits Paid	5,958	6,164	41,250	45,790
Effect of business combinations and disposals	-	-	-	-
Closing Defined Benefit Obligation 31st March	(209,707)	(183,032)	(1,055,020)	(953,630)

Reconciliation of the Fair Value of the Schemes Assets

Pension Asset – Local Government Pension Scheme Only

	31 Mar 24 £000	31 Mar 25 £000
Pensions Asset 1st April	206,488	209,707
Expected Return on Assets	9,888	11,312
Contributions by Members	2,308	2,683
Employers Contributions (Inc Injuries) - excluding Top-Up Grant	7,062	7,918
Pension Fund Asset Split (Group to Single Entity)	-	-
Contributions in Respect of Unfunded Benefits	(3)	(3)
Actuarial Gains	11,414	(7,214)
Estimated Unfunded Benefits paid	3	3
Estimated Benefits Paid	(5,958)	(6,164)
Effect of business combinations and disposals	-	-
Effect of Asset Ceiling Calculations	(21,495)	(35,210)
Fair Value of Pensions Asset 31st March	209,707	183,032

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The estimated return on scheme assets in the year was £11,312k (£9,888k in 2023/24).

The OCC's total pension liability of £953.63m reconciles to the Unusable Reserves within the Balance Sheet of £955.28m, by adding back the figures within the Movement in Reserves Statement of the Capital Adjustment Account, the Collection Fund Adjustment Account and the Revaluation Reserve to the Unusable Reserves total and then subtracting the Employee Benefit Reserve (Note 17).

The liabilities show the underlying commitments that the OPFCC has in the long run to pay retirement benefits. The total liability has a substantial impact on the net worth of the OPFCC as recorded in the balance sheet,



resulting in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of the OPFCC remains healthy.

- Local Government Pension Scheme (LGPS)
The local government scheme has an expected surplus as per the actuary report. However, the OCC is not able to include this amount within the statement of accounts as the asset ceiling calculations work out that it will not be possible to realise any part of this surplus for the benefit of the OCC, as assessed by the scheme actuary
- Police Pension Schemes
Finance is only required to be raised to cover police pensions when the pensions are actually paid. Any deficit on the Pensions Fund Account for the year is funded by the OPFCC with Home Office Top-Up Grant payable to cover the OPFCC’s contribution

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Pension Scheme liabilities are assessed by the Government Actuary’s Department (GAD) and the Local Government Pension Scheme by Hymans Robertson LLP, an independent firm of actuaries. The main assumptions used in their calculations are as follows. Assumptions are the same for both OCC, OPFCC and Group:

	2023/24		2024/25	
	Local Government Pension Scheme		Police Pension Scheme	
	Years	Years	Years	Years
Mortality Assumptions				
Longevity at 65 for current pensioners				
	Men	20.90	20.80	21.90
	Women	23.70	23.70	23.60
Longevity at 65 for future pensioners				
	Men	21.70	21.60	23.60
	Women	25.50	25.40	25.10
Financial Assumptions				
	%	%	%	%
Rate of Inflation	2.75	2.75	2.60	2.70
Rate of Increase in Salaries	3.25	3.25	3.85	3.45
Actual Return on Assets	10.20	1.80	n/a	n/a
Rate for Discounting Scheme Liabilities (Gross)	4.85	5.80	4.65	5.65
Rate of Revaluation for CARE Pensions	n/a	n/a	3.85	3.95
Take up Option to Convert annual Pension into retirement Lump Sum (LGPS)	55	55	n/a	n/a
Take up Option to Convert annual Pension into retirement Lump Sum (1987)			25	25
Take up Option to Convert annual Pension into retirement Lump Sum (2006)			n/a	n/a
Take up Option to Convert annual Pension into retirement Lump Sum (2015)			20	20
Take up Option to Convert annual Pension into retirement Lump Sum (Mixed 1987 & 2015)			25/12	25/12
Take up Option to Convert annual Pension into retirement Lump Sum (Mixed 2006 & 2015)			0/20	0/20

Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries, we have assumed that 55% of employees retiring will take advantage of this. Our actuaries have advised that this will reduce the value of the OCC’s pension liabilities, and this has been included within Non-Distributed Costs on the face of the Income and Expenditure Account.

The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes



while all the other assumptions remain constant. The assumptions in longevity, for example, assume that 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 analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on Defined Benefit Obligation Increase/Decrease in assumption	2023/24	2024/25	2023/24	2024/25
	Local Government Pension Scheme		Police Pension Scheme	
	%	%	%	%
Longevity (increase in 1 year)	4%	4%	2.5%	2.5%
Rate of increase in salaries (0.1% increase)	0%	0%	0.2%	0.1%
Rate of increase in pensions (0.1% increase)	2%	2%	1.5%	1.5%
Rate for discounting Scheme liabilities (0.1% decrease)	2%	2%	-1.6%	-1.5%

The Police Pension Scheme has no assets to cover its liabilities. Assets in the Local Government Pension Fund are valued at fair value, principally market value for investment, and consist of the following categories by proportion of the total assets held by the Fund:

Fair value of plan assets Asset category	31-Mar-24		31-Mar-25	
	Total	Percentage	Total	Percentage
	£000	%	£000	%
Equity Securities				
Consumer	2,441.2	1%	2,486.8	1%
Manufacturing	2,153.2	1%	2,254.0	1%
Energy and Utilities	999.2	0%	1,003.7	0%
Financial Institutions	2,083.4	1%	2,455.5	1%
Health and Care	1,625.2	1%	1,493.8	1%
Information Technology	4,162.0	2%	5,314.9	2%
Other	416.3	0%	562.4	0%
Debt Securities				
Corporate Bonds (investment grade)	-	0%	-	0%
Corporate Bonds (non-investment grade)	-	0%	-	0%
UK Government	33,882.7	15%	31,518.7	13%
Other	-	0%	-	0%
Private Equity				
All	17,184.9	7%	18,200.3	8%
Real Estate				
UK Property	12,266.6	5%	21,181.3	9%
Overseas Property	1,683.6	1%	1,686.7	1%
Investment Funds and Unit Trusts				
Equities	99,849.3	43%	91,749.5	38%
Bonds	33,671.9	15%	35,481.7	15%
Hedge Funds	-	0%	-	0%
Commodities	-	0%	-	0%
Infrastructure	14,428.6	6%	14,509.9	6%
Other	-	0%	-	0%
Derivatives				
Inflation	-	0%	-	0%
Interest Rate	-	0%	-	0%
Foreign Exchange	1.1	0%	(1.7)	0%
Other	-	0%	-	0%
Cash and Cash Equivalents				
All	4,352.8	2%	9,839.5	4%
Totals	231,202.0	100%	239,737.0	100%



Impact on the Authority's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible, and therefore funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new Career Average Revalued Earnings (CARE) schemes to pay pensions and other benefits to certain public servants.

The authority anticipated to pay £29.573m expected contributions to the scheme in 2024/25.

Virgin Media Section 37 Case – Summary Disclosure

On 25 July 2024, the Court of Appeal upheld the High Court's ruling in Virgin Media Ltd v NTL Pension Trustees II Ltd, confirming that amendments to contracted-out defined benefit schemes made between 1997 and 2016 are void if the required actuarial confirmation under Section 37 was not obtained.

HM Treasury is reviewing the implications for all public service pension schemes, including the Police Pension Schemes. No scheme-specific guidance is currently available. The Authority is monitoring developments, but no reliable estimate of any potential impact can yet be made, and therefore no adjustments have been included in the 2024/25 accounts.

Note 38 - Financial Instruments

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 38 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 39 - Joint Operations & Associate Entities

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 39 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 40 - Accounting Standards Issued, Not Adopted

Under The Code of Practice on Local Authority Accounting disclosure of the impact of accounting standards issued but not yet adopted is required. Following a review of the relevant standards it has been determined that there would be no material changes to the accounts if these were to have been adopted. The relevant standards being introduced for 2024/25 are:

- IFRS 17 Insurance Contracts issued in May 2017
- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023
- The changes to the measurement of non-investment assets withing the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets



Note 41 - Restatements

No restatements have taken place in preparation of the 2024/25 Statement of Accounts for the OCC.

Note 42 - Borrowing

The Chief Constable holds no balance in respect of these items. For information, please refer to Note 42 of the Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 43 - Other Long Term Liabilities

The Authority has other long term liabilities as below, which relate to pension liabilities estimated to fall due over the longer term.

31 March 2024		31 March 2025
£000	Creditors	£000
(1,055,020)	Pension Liabilities	(953,630)
(1,055,020)	Total Long-Term Liabilities	(953,630)



Police Pension Fund Account

This statement shows movements of funds related to police officer pensions. The Group and OCC are required to operate a Police Officer Pension Fund from 1 April 2006, under the Police Pension Fund Regulations 2008. The regulations specify the transactions that are paid into and out of the fund.

The Pensions Fund combines the accounting transaction of four pension schemes. These are the Police Pensions Scheme which was set up in 1987, 2006 Police Pensions Scheme, which was created under the Police Pension Regulations 2006, which applies to new recruits from 1 April 2006, and the 2015 Police Pension Scheme, which was created on 1 April 2015 and involved transfers in from the 1987 and 2006 schemes, based on length of service. The fourth scheme is the injury award scheme.

Following the Sargeant and McCloud High Court rulings, all members will be moved to the 2015 scheme from 1st April 2015 to ensure that there is no further possibility of age discrimination within the pension arrangements.

The Police Officer Pension Schemes are unfunded, which means there are no investment assets. Under these arrangements the Pension Fund Revenue Account balances to nil at the year-end by receiving a grant directly from the Home Office under the Top Up Grant arrangements. There are certain exceptions to these arrangements such as injury awards, which will continue to be charged directly to the OCC's and Groups Income and Expenditure Account.

	Police Pension Scheme	
	2023/24	2024/25
Contributions Receivable		
Group		
From Employer		
Normal	(17,121)	(20,605)
Early Retirements		
Ill Health		
From Members	(7,379)	(7,889)
Transfers In		
Individual Transfers in from other schemes	(38)	-
Benefits Payable		
Pensions including ill health	34,971	37,682
Commutations and lump sums retirement benefits	5,198	7,164
Other	342	351
Payments to and on account of leavers		
Individual Transfer Out from other schemes	-	-
Net amount payable for the year	15,973	16,703
Top up grant receivable from Central Government	(15,973)	(16,703)

Details of the long-term pension obligation can be found within Note 17.

Net Asset Statement

There were no unpaid pensions due or recoverable overpayments of pensions as at 31st March 2025.



Notes to the Police Pension Fund Account

A. Employer and Officer Contributions to the Pension Fund

These are based on percentages of pensionable pay set nationally by the Home Office and subject to a three yearly review by the Government’s Actuary’s Department. The 1987 and 2006 Schemes are closed, with all new entrants entering the 2015 scheme. The current percentages of pensionable pay are:

		Annual Pensionable Earnings					
		1987	2006	2015	1987	2006	2015
Employer Contributions:		31.00%	31.00%	31.00%	35.30%	35.30%	35.30%
Employee Contributions:	Tier 1 £27,000 or less	14.25%	11.00%	12.44%	14.25%	11.00%	12.44%
	Tier 2 more than £27,000 but less than £60,000	14.25%	12.05%	13.44%	14.25%	12.05%	13.44%
	Tier 3 £60,000 or more	15.05%	12.75%	13.78%	15.05%	12.75%	13.78%

B. Transfer Values

These are received or paid in respect of officers changing employer and taking or bringing their accrued pension benefits with them.

C. Pensions Fund Liabilities

The Pension Fund does not take account of liabilities to pay pensions and other benefits after the period end. There are no IAS 19 adjustments in this statement; they are part of the Group and OCC Core Financial Statements and can be referred to in notes 37 to 38.

D. Accounting Policies

Accounting Policies conform to those in the Statement of Accounts.

E. Home Office Pensions Top-Up Grant

The Home Office Grant is received by the Group and OCC to cover the Group and OCC’s deficit contribution to the Pension Fund Account. On the other hand, if the Pension Fund Account was in surplus, resulting in a contribution being made to the Group and OCC, an equivalent amount is recouped by the Home Office.

The funding arrangements for the police pension scheme in England and Wales changed on 1 April 2006. Before then the scheme did not have a percentage of pensionable pay type of employer’s contribution; rather each OPFCC was responsible for paying pensions on a pay-as-you-go basis.

Under the current arrangements the scheme remains unfunded but is no longer on a pay-as-you-go basis as far as individual Police Officers are concerned. The Group and OCC’s no longer meet the pension liability directly. Instead, the Force pays an employer’s contribution based on a percentage of pay into the Pension Fund. The amounts that must be paid into and paid out of the pension fund are specified by regulation.

At the end of the financial year the pension fund is balanced to nil by a financial transfer from or to the police fund, made by the Secretary of State. Any payment from or to the Secretary of State in relation to the transfer is paid into or out of the police fund.



ACCOUNTING POLICIES

1) Introduction

The financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). Where the CIPFA Code of Practice on Local Authority Accounting permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Authority for the purpose of presenting fairly the position of the Authority is selected. Any exceptions are disclosed below.

In applying the accounting policies, we have 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:

- Influences on-going concern status, such as future levels of funding for central government departments
- Possible impairment of investments
- Whether other entities with which the Authority has a relationship are subsidiaries, associates or jointly controlled entities
- The potential outcome of legal claims by or against the Authority
- The condition of the local and national housing/industrial building market
- The economic standing of significant debtors and creditors

2) Accounting Convention

These Accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. Where appropriate, financial assets and liabilities have been impaired or discounted to bring them to fair value.

3) Going Concern

These accounts have been prepared on a going concern basis. The concept of a going concern assumes that the functions of the Authority will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in the United Kingdom 2024/25) in respect of going concern reporting requirements reflect the economic and statutory environment in which public section organisations operate.

These provisions confirm that, as the OPFCC, OCC or NCFRA cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

The entities 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 an OPFCC, OCC or NCFRA were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that the Authority and group will continue to operate for the foreseeable future.



4) Recognition of Income and Expenditure

The Authorities comply with IFRS 9 by recognising creditor liabilities only when goods have been received or services rendered. Debtors are initially measured at historical cost, with subsequent adjustments to fair value through a bad debt provision.

The Authorities comply with IAS 39 in only recognising creditor liabilities when services are rendered or goods received. Debtors are recorded at historical cost, but the balance has been written down to fair value through a bad debt provision.

Both revenue and capital transactions are recorded on an accruals basis. This means that income and expenditure is accounted for in the financial year in which it becomes due regardless of whether cash has actually been received or paid in the financial year.

In particular:

- Fees, charges and rents due from the customers are accounted for as income at the date the Authority provides the relevant goods or services
- The cost of supplies and services are accrued in that accounting period during which they were consumed or received, except for works which are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet
- Interest payable and receivable on borrowings is accounted for in the year to which it relates; on a basis that it reflects the overall effect of the loan or investment
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to the income and expenditure account for the income that might not be collected
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made

De Minimis Threshold for Accruals

The Authority applies a de minimis threshold of £1,000 for the recognition of creditors within the accruals process. Creditors below this value will only be raised through the GRNI (Goods Received Not Invoiced) process where the amount is considered subjectively material to the financial statements. Amounts below the threshold that do not materially affect the financial position or performance of the Authority may be excluded from accruals, consistent with the principles of materiality and the efficient preparation of accounts.

5) Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes party to the contractual provisions of a financial instrument. They are initially measured at fair value, plus transaction costs where applicable.

Financial Assets

Financial assets are recognised when the Authority becomes a party to the contractual provisions of the instrument, or in the case of trade receivables, when goods or services have been delivered. Financial assets are derecognised when the contractual rights to cash flows expire, or the asset is transferred.

Under IFRS 9, financial assets are classified into the following categories:



Amortised Cost

Fair Value through Other Comprehensive Income (FVOCI)

Fair Value through Profit or Loss (FVPL)

Classification is based on the Authority's business model for managing the asset and the contractual cash flow characteristics. Assets measured at fair value have changes in value recognised either in the Comprehensive Income and Expenditure Statement (CIES) for FVPL or in Other Comprehensive Income for FVOCI.

Trade receivables and other financial assets measured at amortised cost are subject to impairment under the expected credit loss (ECL) model, with provisions recorded to reflect credit risk.

Financial Liabilities

Financial Liabilities are recognised in the Balance Sheet when the Authority becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, cancelled, or expires. They are initially measured at fair value and subsequently at amortised cost unless designated at fair value through profit or loss.

6) Financial Assets at Amortised Cost

Financial assets classified at amortised cost are non-derivative instruments that meet the following conditions: The asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition at fair value plus transaction costs, these assets are measured at amortised cost using the effective interest method. Interest income is recognised using the same method over the expected life of the asset.

Fair Value Measurement

Fair value is determined by reference to quoted market prices, where available, or, if not, by using valuation techniques based on observable market data and comparable arm's-length transactions.

Effective Interest Rate

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to its gross carrying amount.

Impairment

At each reporting date, the Authority assesses financial assets measured at amortised cost for impairment using the expected credit loss (ECL) model. ECLs are recognised in the Comprehensive Income and Expenditure Statement and reflect forward-looking estimates of credit risk.

The impairment loss is measured as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. Losses are recognised by reducing the carrying amount of the asset directly.

If, in a subsequent period, the amount of the impairment loss decreases and the reduction can be objectively related to an event occurring after the impairment was recognised, the previously recognised loss is reversed through income, provided the carrying amount does not exceed what the amortised cost would have been had no impairment been recognised.



7) Government Grants and Contributions

Revenue grants and contributions are credited to the CIES in the same period as the expenditure to which they relate. Capital grants are credited to income once any conditions of the grant have been satisfied. Assets purchased from government grants are valued, Depreciated and Impaired as described for purchased assets.

8) Intangible Fixed Assets

Intangible assets include software licences and agreements that are capitalised at cost. These are amortised on a straight-line basis over their estimated useful life, unless the asset is assessed as having an indefinite useful life. Assets with indefinite useful lives are not amortised but are tested annually for impairment, in accordance with IAS 38.

As the amortisation charge is not an allowable charge against council tax, it is neutralised by an adjustment between 'Accounting Basis and Funding Basis under Regulation', with the corresponding entry in the Capital Adjustments Account.

Internally generated intangible assets are measured at cost during their development phase (including project staff, physical equipment, and associated costs necessary to bring the asset into use). When the asset becomes operational, it is assessed for impairment based on its recoverable amount or service potential.

Additions to intangible assets are added to the carrying amount and amortised over the remaining useful economic life, where the recognition criteria are met.

In accordance with IAS 38, intangible assets that are Authority-specific or for which no active market exists are measured at cost less accumulated amortisation and impairment. The useful life of each asset is reviewed annually, and if an asset is determined to have an indefinite useful life, it will not be amortised but will be subject to annual impairment testing.

9) Tangible Fixed Assets Recognition

All expenditure (subject to a de minimis of £10k) on the acquisition, creation or enhancement of fixed assets is capitalised in accordance with IAS 16 (Recognition, Revaluation & Measurement of Tangible Fixed Assets). Subsequent capital expenditure is capitalised where it provides an enhancement of the economic benefits of the asset in excess of those previously assessed.

Where assets are bought into fixed assets from 'assets under construction', these will be valued using the appropriate methodology, including componentisation as applicable. The Accounting Basis and Funding Basis under Regulations will be used, with the corresponding entry to the Capital Adjustment Account.

Donated assets are recognised at their value and are defined in the CIPFA Code of Practice on Local Government Accounting as those assets that are transferred at nil value or acquired at less than Current Value. Donated assets that are from other public bodies are accounted for as a government grant (as required by IAS 20).

Valuation

All property, plant and equipment are measured initially at cost, representing the cost attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at current value.

Land and buildings used by the Authority are stated in the Balance Sheet at their re-valued amounts, being the current value at the date of valuation. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values are determined as follows:



- Operational Buildings – Depreciated replacement cost
- Land and non-specialised buildings – Current value for existing use
- Vehicles, plant and equipment – Historic cost less accumulated depreciation (as a proxy for current replacement cost)

Properties in the course of construction are carried at cost, less any impairment loss. Costs include professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at current value. Assets are revalued and depreciation commences when they are brought into use. An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset, and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the CIES.

The Authority undertakes an annual review of the useful economic life assumptions applied to all categories of property, plant and equipment to ensure they remain appropriate and reflect the expected pattern of economic benefit consumption. Adjustments are made where necessary.

Disposals

The gain or loss on disposal is the amount by which the disposal proceeds are more or less than the carrying amount (net book value) of the fixed asset. The CIES recognise this gain or loss.

In order that this gain or loss is excluded from the charge to council tax, it is neutralised in the Accounting Adjustments between Accounting Basis and Funding Basis under Regulation.

If, however, the asset is carried at current value, in addition to the entries above, the balance on the revaluation reserve in respect of asset disposals is written off to the Capital Adjustment Account. In most cases the asset will be revalued to its carrying value at the point of disposal so there will be no profit or loss, unless there is an unamortised grant attached to the asset, which will be released to the CIES in full, resulting in a profit on disposal.

The Authority undertakes regular reviews of all its assets to verify that they still are in use and will provide an economic benefit to the Authority. A non-property asset that is due to last 5 years will incur depreciation for each of those five years and have a £0 balance at the end of the 5 years but will still be recorded in the asset register after these five years if it still exists and provides an economic benefit to the authority. If the economic benefit remaining is material, then the asset will be revalued and its useful life adjusted to reflect the expected economic benefit to the authority.

Componentisation

Where an item of Property, Plant and Equipment has major components with cost and lifespan significantly different from the rest, the components are depreciated separately.

The criteria for componentisation are as follows:

- A de-minimis level on implementation is set at £600,000 on the net book value of any asset
- Any single component must exceed £100,000 in value

Provided that both of these criteria are met the asset will be split into the appropriate components based on its type.



10) Depreciation and impairments

Depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their useful economic lives on a straight-line basis. The Useful Economic Life (UEL) of an asset is the period over which the Authority expects to obtain economic benefits or service potential from the asset. This is specific to the Authority and may be shorter than the physical life of the asset itself. The UEL and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

The approximate average useful lives (depreciation periods) are categorised below:

- Buildings – 30-60 years
- Vehicles – Fire Appliances 15 years
- Vehicles – Non-operational cars, lorries and vans 7 years
- Vehicles – All other vehicles 3-5 years
- Equipment – 2-25 years

Assets acquired under finance leases are depreciated over the term of the lease (or the life of the asset if this is lower than the term of the lease) on a straight-line basis.

At each reporting period end, the Authority checks whether there is any indication that any of its non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

The Authority undertakes regular reviews of all its assets to verify that they still are in use and will provide an economic benefit to the Authority. A non-property asset that is due to last 5 years will incur depreciation for each of those five years and have a £0 balance at the end of the 5 years but will still be recorded in the asset register after these five years if it still exists and provides an economic benefit to the authority. If the remaining economic benefit is still significant, the asset will be revalued and its useful life adjusted to reflect the benefit expected by the Authority, with depreciation applied on a straight-line basis.

The Authority is not required to raise council tax to cover Depreciation and Impairment, however it is required to make an annual provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the Minimum Revenue Provision (MRP).

11) Leases

From 1 April 2024, the Authority has adopted IFRS 16 Leases, which replaces IAS 17 and related interpretations. IFRS 16 introduces a single lessee accounting model, requiring recognition of most leases on the Balance Sheet.



The Authority as Lessee

At the inception of a contract, the Authority assesses whether the arrangement contains a lease by determining if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under IFRS 16, the Authority recognises a right-of-use (ROU) asset and a corresponding lease liability for all leases, except for:

- Short-term leases (lease term of 12 months or less), and
- Low-value assets (below the Authority's de minimis threshold)

Payments for these exempt leases are recognised as an expense on a straight-line basis in the Comprehensive Income and Expenditure Statement (CIES).

Initial Measurement of Lease Liability

Lease liabilities are initially measured at the present value of lease payments, which include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments based on an index or rate (initially measured using the index/rate at commencement)
- Amounts expected under residual value guarantees
- Exercise price of purchase options if reasonably certain to be exercised
- Penalties for early termination if the lease term reflects exercising that option

Lease payments are discounted using the Authority's incremental borrowing rate, based on Public Works Loan Board (PWLB) rates for similar terms and conditions.

Subsequent Measurement

Lease liabilities are increased by interest and reduced by lease payments. They are remeasured when future lease payments change due to index/rate adjustments or modifications. Corresponding adjustments are made to the ROU asset.

Right-of-Use Assets

ROU assets are initially measured at cost, comprising:

- The initial lease liability amount
- Lease payments made at or before commencement, less incentives received
- Initial direct costs
- Estimated restoration costs

ROU assets are depreciated on a straight-line basis over the shorter of the lease term or the asset's useful life. If a purchase option is reasonably certain to be exercised, depreciation is over the underlying asset's useful life.

Peppercorn and Nil Consideration Leases

For leases granted at peppercorn or nil consideration, the ROU asset is measured at fair value on initial recognition, with a corresponding credit to income (grant income) in the CIES. The Authority uses professional valuations to determine fair value.

The Authority as Lessor

Where the Authority acts as lessor, leases are classified as operating leases unless substantially all risks and rewards of ownership transfer to the lessee. For operating leases:

- The underlying asset remains on the Balance Sheet
- Rental income is recognised on a straight-line basis over the lease term in the CIES
- Initial direct costs are added to the carrying amount of the asset and expensed over the lease term



12) Inventories

Inventories are valued at the lower of cost and Net Realisable Value using the average cost method. This is considered to be a reasonable approximation to Fair Value.

13) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition, and that are readily convertible to or change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

14) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

15) Reserves

Reserves are maintained to finance expenditure on projects that will be carried out in future years and to protect the Authority against unexpected events. Certain reserves/accounts are kept in order to manage the accounting process for tangible fixed assets (Revaluation Reserve, Capital Adjustment Account) and retirement benefits (Pensions Reserve IAS 19). These do not represent usable resources for the Authority. A Reserves Strategy is in place with regards to the usable reserves and is reviewed at least twice a year.

16) Joint Arrangements

The Authority has interests in a number of Joint Arrangements. All of these collaborations are governed by formal Section 22a Agreements, and the shares are fully incorporated in the CIES, Balance Sheet, Movement in Reserves Statement and the Cash Flow Statement, as required by the Code. Note 39 provides further details.

17) Value Added Tax

VAT is included in the accounts of the Authority, whether of a capital or revenue nature, only to the extent that it is not recoverable.

18) Contingent Assets and Contingent Liabilities

These are not recognised in the accounting statements but disclosed in the Notes to the Accounts.



19) Exceptional Items and Prior Period Adjustments

Exceptional items are included in the cost of the service to which they relate or on the face of the CIES if that degree of prominence is necessary in order to give a fair presentation of the Accounts.

Extraordinary items are disclosed and described on the CIES after dealing with all items within the ordinary activities of the Authority.

Material adjustments applicable to prior years, arising from changes in accounting policies or from the correction of fundamental errors, are accounted for by restating the comparative figures for the preceding period in the Statement of Account and Notes, and adjusting the opening balance of reserves for the cumulative effect. The cumulative effect of the adjustments is at the foot of the statement of total movements in gains and losses of the current period.

20) Events After the Balance Sheet Date

Events after the balance sheet date are reflected up to the date when the Statement of Accounts is authorised for issue. The date when the Statement of Accounts was authorised for issue and who gave that authorisation is disclosed in the notes to the Statement of Accounts, including confirmation that this is the date up to which events after the balance sheet date have been considered.

21) Estimation Techniques Used

The Code distinguishes between accounting concepts and estimation techniques that have been used, when required. The techniques below describe the steps taken to arrive at key monetary values in the Statement of Accounts:

- Payroll Creditors i.e. overtime – average overtime rates
- IAS19 Valuation – actuarial valuations of future pension liabilities are provided by independent actuaries
- Bad Debts are valued at the receivable value. Therefore, the cost of collection of debt assessed as recoverable are deducted from the outstanding value
- Property assets are valued at Market Value (MV) and Depreciated Replacement Cost (DRC) but held in fixed assets at the depreciated cost assessed as MV/DRC less the cumulative depreciation over the Useful Economic Life of that asset

22) Comparison with Previous Years

Comparative figures for the previous financial year are shown in the Accounts. The same items are treated alike from one year to the next, except where notes explain otherwise.

23) 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 are debited to Other Comprehensive Income and Expenditure in the CIES.



24) Opening balances

Where the conclusion of an audit on prior year balances has not yet been concluded, opening balances will be based upon the last published financial statements and any change to this will be included within the re-statement note.

25) Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and flexitime, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense in the year in which employees render service to the Authority.

Under the CIPFA Code of Practice on Local Authority Accounting, the Authority is required to recognise the cost of untaken annual leave at 31 March as a liability in the Balance Sheet. This includes both vesting entitlements (which employees are entitled to carry forward and receive payment for if employment ends) and non-vesting entitlements (which lapse if not taken but still represent a benefit earned during the reporting period).

To ensure consistency, annual leave costs are reflected in the year in which the leave should have been taken, with an adjustment made between the Accounting Basis and Funding Basis under Regulation, and the corresponding entry posted to the Accumulated Absences Account.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an individual's employment before the normal retirement date or of an employee's decision to accept voluntary redundancy in exchange for those benefits. These are charged on an accruals basis to the CIES at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

When termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end.

26) Transactions relating to Retirement Benefits

As part of the terms and conditions of employment of its officers and other employees, the OPFCC and OCC offer retirement benefits. These benefits will not actually be payable until employees retire, but the Authority discloses the value of the payments that would need to be paid at the time that employees earn their future entitlement. Depending on their employer and role, opted-in employees will be members of the following pensions schemes:



The Police Pension Scheme for Police Officers

The Police Pension Scheme (PPS) is an unfunded defined benefit scheme administered by XPS on behalf of OPFCC and is governed by:

- The Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976
- The new Police Pensions Scheme (NPPS) is governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006)
- The latest Pension Scheme (2015) is governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2015)

The 1987 and 2006 schemes have now been closed to new entrants and payments from or to those pension schemes are only being made under the national pension remedy review.

All three pensions are unfunded which means there are no investment assets built up to meet pension's liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The funding arrangements for police officer pensions changed on 1 April 2006, when an employer's contribution rate was set by the Home Office, which is charged to the Comprehensive Income and Expenditure Statement. Also, from 1 April 2006, each OPFCC was required by legislation to operate a Pension Fund Account. The amounts that must be paid into and out of the account are specified by regulation. Officer's contributions and the employer's contribution are paid into the pension account from which pension payments are made. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year are less than amounts payable, the OPFCC must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If, however, the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the OPFCC, which then must repay the amount to central government.

The Local Government Pension Scheme for civilian employees

The Local Government Pension Scheme for civilian employees, administered locally by West Northamptonshire Council, is a funded defined benefit final salary scheme, meaning that the OPFCC and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

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

The accounts show the full implementation of IAS 19 (Retirement Benefits). IAS 19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable by the OPFCC to the pension fund during the year, an appropriation is made with the pension's reserve which equals the net change in the pension's liability, recognised in the Comprehensive Income and Expenditure Statement. The neutralising entry is within Adjustments made between Accounting Basis and Funding Basis under Regulations.

The Balance Sheet discloses the OPFCC's net liability in relation to retirement benefits. The figures are based on the actuary's latest estimate.



Note 37 to the Core Financial Statements provide further information about the pension schemes.

The above schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Authority. They are accounted for in accordance with the requirements for Defined Benefits Schemes, based on the principle that an organisation should account for retirement benefits when it is committed to give them, even though this may be many years into the future.

A pensions asset or liability is recognised in the Balance Sheet, made up of the net position of retirement liabilities and pension scheme assets. Retirement liabilities are measured on an actuarial basis using the projected unit method, by assessing the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees. Pension scheme assets (LGPS only) attributable to the Authority are included at their Fair Value. The Authority currently has a net pensions liability, and this is matched in the Balance Sheet by a Pensions Reserve.

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

Service Cost, comprising:

- Current service cost – the increase in Liabilities as a result of service earned by employees in the current year. This is charged to services within the CIES
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to service earned in earlier years. This is part of the services line in the CIES
- Net interest on the net defined benefit liability – the change during the period in the net defined benefit liability that arises from the passage of time. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the end of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. This is charged to the Financing and Investment Income and Expenditure line within the CIES

Remeasurements, comprising:

- The return on plan assets (LGPS only) – this excludes amounts included in net interest on the net defined benefit liability and is 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. This is charged to the Pensions Reserve as ‘Other Comprehensive Income and Expenditure’
- Contributions paid / benefits paid – cash paid as employer’s contribution by the Authority either to LGPS or directly to pensioners to reduce the scheme liabilities

Statutory provisions require that the amount charged to the General Fund Balance is that payable by the Authority to pensions funds or directly to pensioners during the year rather than that calculated under accounting standards. This means that an appropriation to or from the Pensions Reserve is done within the Movement in Reserves Statement to replace the notional sums for retirement benefits with the actual pensions costs. The negative balance on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.



27) Interest in Companies and Other Entities

The Authority is required to produce Group Accounts alongside its own financial statements where it has material interests in subsidiaries, associates and/or joint ventures. The OPFCC previously had involvement with Voice for Victims and Witnesses, a company set up by guarantee in 2017/18 and concluded that the requirement to produce Group Accounts applies in relation to it. Employees of Voice for Victims and Witnesses transferred employment to the OPFCC on the 31st March 2023. This company was dissolved on 6th February 2024 with all assets and liabilities being transferred to the OPFCC from this day onwards. The company is therefore no longer included separately (as a Joint Venture or otherwise) in this set of Accounts.

28) Borrowing

Recognition and Measurement

Borrowings are recognised as financial liabilities in the Balance Sheet when the Authority becomes a party to the contractual provisions of the instrument. They are initially measured at fair value, net of directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method, unless designated at fair value through profit or loss.

Effective Interest Method

The effective interest method allocates interest expense over the expected life of the borrowing and calculates the amortised cost of the liability. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the instrument to its initial carrying amount.

Interest and Finance Costs

Interest payable on borrowings is recognised in the Comprehensive Income and Expenditure Statement (CIES) on an accrual basis. As finance costs are not an allowable charge against council tax, they are neutralised by an adjustment between the Accounting Basis and Funding Basis under Regulation, with the corresponding entry in the Financial Instruments Adjustment Account.

Derecognition

Borrowings are derecognised when the contractual obligation is discharged, cancelled, or expires. Any difference between the carrying amount of the liability and the consideration paid is recognised in the CIES.

Fair Value Disclosure

The fair value of borrowings is disclosed in the notes to the financial statements and is determined by reference to quoted market prices where available, or by discounting contractual cash flows using current market interest rates for similar instruments.

Modifications and Refinancing

Where borrowings are refinanced or terms are modified, the Authority assesses whether the modification is substantial. If substantial, the original liability is derecognised and a new liability recognised; otherwise, the carrying amount is adjusted for the revised cash flows and the adjustment recognised in the CIES.



29) Redemption of Debt

Outstanding loan debt relating to police services was transferred to Northamptonshire Police from Northamptonshire County Council on 1 April 1995. Instalments of principal are charged to revenue in accordance with the statutory Minimum Revenue Provision. This is calculated at 4% of the Capital Financing Requirement at the beginning of the year and is charged to the Capital Adjustment Account with a corresponding adjustment in Accounting Basis and Funding Basis under Regulations.

Valuation is based upon amortised cost, with fair value based upon the cash flow over the remaining term of the debt.

30) Intra-group transactions and balances

Under the Police Reform and Social Responsibility Act 2011, the OPFCC receives all income, holds all bank accounts and owns all assets, while the Chief Constable is responsible for the direction and control of officers and staff. No cash transfers occur between the two bodies; instead, the Chief Constable records an income transfer from the OPFCC to reflect the resources consumed in delivering operational policing. The Chief Constable also recognises all employment-related liabilities, including the full pension liability and related pension funding.



ANNUAL GOVERNANCE STATEMENT (OCC)

Background and Framework

In the financial year 2024/25, the two corporations sole have maintained the governance arrangements and strategies in place and driven forward performance improvements. As the PFCC also undertakes governance of Northamptonshire Commissioner Fire and Rescue Authority (NCFRA), there continues to be progress in strategic management and close working arrangements with Fire. Throughout the year, NCFRA have remained a separate corporation sole to the PFCC and CC and with separate legislative responsibilities.

The organisational powers and arrangements in place within the police service, relating to governance, are unique and any governance framework needs to take this into account. This is clearly recognised in the Chartered Institute of Public Finance and Accounting (CIPFA) document - *“Delivering good governance – Guidance notes for policing bodies in England and Wales, 2016”*.

In 2007, CIPFA developed with the Society of Local Authority Chief Executives (Solace) a framework – *“Delivering good governance in local government”*. This was subsequently reviewed with an updated edition was published in April 2016, and most recently an addendum published May 2025.

This framework recognises that no two organisations are the same and as such allows an organisation to test its governance structures against a set of principles which are:

- **Principle A:** Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- **Principle B:** Ensuring openness and comprehensive stakeholder engagement
- **Principle C:** Defining outcomes in terms of sustainable, economic, social and environmental outcomes
- **Principle D:** Determining the interventions necessary to optimise the achievement of intended outcomes
- **Principle E:** Developing Capacity and Capability
- **Principle F:** Managing Risks and Performance
- **Principle G:** Implementing good practices in transparency, reporting and accountability

What is Governance?

Governance as defined in the 2016 framework is:

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and delivered.”

Good governance is not only about rules, policies and procedures but should also incorporate a spirit of good governance as an integral part of the culture of the organisation, its values and the expected behaviours.

Senior leaders have a significant responsibility not only to ensure that good governance arrangements are properly codified and documented but also that the proper culture exists so that the concept of good governance, including transparency and openness, is effectively conveyed throughout their organisation.



This statement explains how the Chief Constable has complied with the CIPFA/SOLACE framework and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance Statement.

The Annual Governance Statement

It is a requirement on each public body to prepare an annual governance statement. This is intended to provide an assessment of how effectively it has complied with its own governance arrangements and the principles set out in the framework.

This governance statement provides a high-level overview. It comments on the effectiveness of governance arrangements over the past year and makes proposals to improve processes, or mitigate issues or risks identified.

The Purpose of the Governance Framework

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

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

The PFCC, CC and NCFRA Joint Corporate Governance Framework was reviewed during the year and an updated version was published in March 2025, incorporating changes required to ensure compliance with new procurement legislation.

The Governance Framework

Both the PFCC and CC continued to seek confirmation that appropriate management and reporting arrangements were in place to gain assurance that the approach to corporate governance was both adequate and effective in practice. These arrangements included:

- An Accountability Board forward plan seeking timely updates and assurances at appropriate times during the year. Minutes are publicly available on the PFCC's website
- Regular dialogue between the PFCC and Chief Constable, and meetings held between key officers of the Force and Office of the Police, Fire and Crime Commissioner (OPFCC)
- A Risk Management Strategy, with regular OPFCC reviews by the Directors and PFCC
- An Annual Governance Statement produced by both the OPFCC and the OCC
- A CIPFA Value for Money Assessment against the framework completed by the two S151 officers
- A Regional Annual Governance Statement for East Midlands Special Operations Unit (EMSOU) activities
- An effective Joint Independent Audit Committee (JIAC)
- Ensuring that there is an effective Internal Audit function
- Attendance by the OPFCC Directors, JIAC Chair and/or members at key meetings and briefings

In addition to the arrangements above, the system includes:

- Updates to Police, Fire and Crime Panel meetings on OPFCC strategic plans and delivery



- A focus on achieving the objectives set out in the Plan
- Regular financial reporting for both the OPFCC and the OCC
- Engagement in Value for Money benchmarking such as is conducted by HMICFRS
- A Joint Assistant Chief Officer leads on Enabling Services and provides strategic leadership of support services across Fire and Policing
- A collaboration agreement is in place in line with the Home Office Financial Management Code of Practice. The agreement was reviewed during the year and an updated version approved in April 2025
- A Force meeting governance structure including Force Executive Meeting, Strategic Planning Board, Force Assurance Boards and capital and estates delivery meetings, attended by key officers/staff

In the full year to 31 March 2025, the PFCC and CC have sought to ensure that appropriate management and reporting arrangements are in place to enable them to be satisfied that the approach to corporate governance was both adequate and effective in practice.

The system of internal control is based on a system of financial, contractual, management and administrative controls and is reviewed by both internal and external audit.

Compliance with the Seven Principles set out in the CIPFA/SOLACE Framework

Principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

The Joint Corporate Governance Framework provides guidance on expected behaviours to ensure integrity, transparency and excellent standards of ethical behaviour. This includes an agreement to adhere to the College of Policing (CoP) Code of Ethics as the basis for how the organisation and staff behave. The Force internal and external ethics committee is in place and values have been included as a fundamental element of the Police, Fire and Crime Plan.

The Force Professional Standards Department (PSD) investigates all instances of fraud, corruption and whistleblowing and the Chief Finance Officers for both the CC and the PFCC and the Monitoring Officer have specific responsibility in legislation for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements and for reporting any such instances to the PFCC, CC, JIAC or Police, Fire and Crime Panel. The OPFCC has its own whistleblowing policy and associated policies in relation to complaints.

The OPFCC has a well-resourced Customer Service Team to deal with complaints and other issues with a remit to identify and report any unethical behaviours.

Vetting standards have been reviewed and investment made into ensuring all relevant people are vetted thoroughly to the most appropriate levels, with urgent action taken for any flagged issues.

For 2024/25, related party disclosures have been undertaken for all key staff in the OPFCC, OCC and JIAC members. Additionally, the PFCC and all members of OPFCC staff complete a declaration of business interests which were received and reviewed by the two s151 officers and any disclosures required included within the Statement of Accounts.

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

The Commissioner's purpose is set out in statute. The vision for Northamptonshire policing is set out in the Police, Fire and Crime Plan, which we call 'Safe and Sound' and sets out the strategic direction of the PFCC's activities. It was informed by 'the Big Conversation', a significant programme of consultation and engagement



in the heart of communities and strongly supported by partners. It works in synergy with both police and fire operational plans, and the PFCC provides an update at each Police, Fire and Crime Panel meeting.

The OPFCC and OCC have both invested in fit-for-purpose communications and engagement resources, with additional capacity built in for the Commissioner from 2025/26. Newsletters and press releases are produced regularly to ensure the work of the OPFCC and OCC are clearly understood by the public, and to encourage feedback and engagement.

The OPFCC website is used to publish a wide range of policy and information on the PFCC and the Office, making this easily accessible to the public. All agendas, unrestricted papers and meetings of the JIAC are open to the public and unrestricted papers are available online. The minutes of the Accountability Board are also published to transparently demonstrate the PFCC holding the Chief Constable to account in line with the PFCC's statutory role.

Decisions made by the PFCC are published on the website, together with consultations and details of future public events and public surveys. The OPFCC undertakes regular council taxpayer, customer and victim survey activities, ensuring that these can be used to inform council tax levels, service delivery by the Force and services which the PFCC has commissioned. The PFCC undertakes public consultation to inform setting the Policing precept, with results shared by the Police, Fire and Crime Panel and the full report published on the OPFCC website.

Principle C: Defining Outcomes in Terms of Sustainable, Economic, Social and Environmental Outcomes

For the budget and precept, the Police, Fire and Crime Plan was informed by the strategic policing requirement and used to direct the resources for the OPFCC and the Chief Constable through the Revenue and Capital budgets. It informs where resources are most needed and targets investment to priority areas.

As in previous years, budgets were prepared on zero-based budget principles, the Chief Constable was fully involved in the preparation of the budgets. The budget, council tax levels and Medium Term Financial Plan (MTFP), alongside the Reserves, Capital and Treasury Management Strategies were considered by the PFCC in proposing and setting the level of precept.

Grants for financial support were advertised on the PFCC website and administered via the OPFCC. Allocations are given in line with the objectives of the Police, Fire and Crime Plan. An internal audit was focussed on these arrangements and provided a 'Substantial' audit assurance opinion.

The Force and PFCC support a number of collaborative arrangements, in the East Midlands, cross-region and nationally, aimed at better delivering positive outcomes. The PFCC has a statutory responsibility to consider the national strategic policing requirement, and collaborative working enables a response in an efficient and cost-effective manner. The Regional Governance Team continued to support the Regional Commissioners to drive and develop collaboration.

In the context of resource constraints, Regional Commissioners and Chief Constables continue to review the most appropriate balance of local and regional resource delivery.

The General Reserves was maintained at a sustainable level of £5.3m during the year which is in keeping with the Reserves Strategy.



Principle D: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes

A detailed Medium Term Financial Plan (MTFP) is regularly reviewed and includes scenarios to reflect the uncertainties we face in terms of funding and the local/national factors. Budgets are monitored throughout the year to give clear indications of pressures and opportunities, directly feeding decision-making. Robust internal controls ensure that data quality is high and there is assurance around the reliability of reporting and forecasting, supported by the internal audit regime.

Monitoring of the police officer establishment has taken place over the year and the local and national increase of police officers under the national “uplift programme” has further outlined the importance of accurate and robust staffing information. A strong focus continued in this area to ensure that local and national staffing recruitment levels were monitored regularly, and that reliance could be placed on the information and decisions made as a consequence. Northamptonshire met and exceeded the 1,501 full time equivalent (FTE) police officer target as at 31st March 2025, enabling additional Home Office grants to be drawn down. Whilst this was more challenging than ever, regular monitoring was effective in determining necessary interventions to optimise delivery against targets.

Accountability Boards and Problem-Solving Boards take place with Chief Officers and the Commissioner, focussing on key areas not only to hold the Chief Constable to account but also to recognise good practice and to determine actions intended to address emerging issues.

Sufficient resources are made available to ensure effective monitoring and forecasting of demand, so that operational resources are allocated in the best possible way to achieve outcomes and best serve the public.

Principle E: Developing Capacity and Capability

The OPFCC, OCC and Fire are all supported by the Human Resources Department in Enabling Services, ensuring there is consistency and parity across organisations, that effective policies/procedures are in place and that recruitment, training and wellbeing arrangements are optimised. A People and Culture Board provides effective oversight.

Throughout 2024/25, the Monitoring Officer continued in their role in the OPFCC. The Chief Finance Officer post had been undertaken on an interim basis since December 2023 and permanently appointed in October 2024.

Ivan Balhatchet had been undertaking the role of Acting Chief Constable from 17th October 2023 and continued to take forward the operational delivery arrangements within the Force under the Force Strategic Plan. A rigorous recruitment process took place during the year and Mr Balhatchet was appointed on a permanent basis in February 2025. There were also Deputy and Assistant Chief Constables in post during this time.

The OPFCC continued with the commitment to Victims, Early Intervention and Youth Work, continuing to appoint into these roles, with investment in additional Domestic Violence and Sexual Abuse support for the County, utilising both base budget and government grants.

The commitment to police officer recruitment continued throughout the year. The local and national establishment target of 1,501 FTE was maintained. This establishment along with additionality enabled by the new neighbourhood policing grant for 2025/26 gives the OPFCC and the Chief Constable resources needed in neighbourhoods, a key priority set out within the Police, Fire and Crime Plan.

Enhanced training budgets have been provided to further increase capability and ensure the workforce is consistently equipped with essential skills.



The Joint Commercial Team is working across Fire and Police and a commercial strategy is in place which is intended to consider all opportunities available to both services.

Principle F: Managing Risk and Monitoring Performance

During 2024/25, the OPFCC continued to demonstrate a commitment to transparency, sharing information and briefings with the Force, the Police, Fire and Crime Panel and the JIAC. The PFCC meets regularly with the CC, the Chair and Vice Chair of the Panel and holds regular briefings for councillors and attends numerous engagement events.

Performance forms a significant part of the Accountability Board and a representative of the OPFCC attends the regular performance meetings to discuss performance at a more operational level and identify the issues and challenges. The OPFCC employs an analyst who collates key information for the Senior Leadership Team to consider, and highlights areas for further scrutiny.

The OPFCC and OCC have similar risk management policies and manage and record risks in the same manner, through the same system.

The OCC has the Force Assurance Board in place to oversee all risk management and feeds into high level boards to ensure the Chief Constable is fully sighted. Risks are reviewed regularly as part of this and also considered at JIAC meetings.

During 2024/25, Forvis Mazars continued as internal auditors for the Region. Regular review and planning meetings took place with Force and OPFCC officers (both locally and regionally) to update on progress. Mazars attended each JIAC meeting to routinely report and give assurance on the adequacy and effectiveness of internal control. In addition, they contribute to the JIAC forward plan and agenda setting to inform and highlight national and regional themes, considerations and practices.

The Joint Independent Audit Committee (JIAC) have responsibility for reviewing the risk, control and governance processes to ensure internal control systems are effective and that policies and practices are appropriate. The Chair and four members continued in their roles during the year. JIAC members were offered and some attended CIPFA, Public Sector Audit Appointments (PSAA) or other events. Additionally, audit and other circulars are shared with JIAC members and senior officers where provided.

Principle G: Implementing Good Practices in Transparency, Reporting and Accountability

The Police, Fire and Crime Plan was developed following significant amounts of engagement and thorough consultations with local communities. OPFCC staff are in place to lead on each area of priority.

External governance is managed through a system of assurance that relies on appropriate attendance at meetings and forums by OPFCC staff to fully understand activities and associated risks. There is a robust, formal Accountability Board meeting regularly between the PFCC and CC and this is supported by regular informal meetings between them. The Commissioner provides regular updates to the Police, Fire and Crime Panel as well as to elected Members, officials and members of the local community. This includes an annual report by the Joint Independent Audit Committee (JIAC) that sets out their terms of reference, the work completed over the year and their opinion on the controls in place.

The OPFCC website contains a substantial amount of information to an appropriate level of transparency for the public to access information about the OPFCC, OCC and its activity. This includes timely publishing of key decisions, grants issued and papers for the Joint Independent Audit Committee (JIAC).



In line with the Accounts and Audit Regulations, the Statements of Accounts for the OPFCC, Group and OCC were placed on the OPFCC website by the required deadline. All previously outstanding financial statements were published in line with the audit backstop with associated external audit reports.

Internal Audit and Internal Audit Review of Effectiveness

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

The OPFCC and OCC continued to invest in an Internal Audit programme in 2024/25. Following a thorough procurement exercise, the contract for internal audit was awarded with Forvis Mazars in 2023/24 for all ten P(F)CC and CCs within the East Midlands region and Northamptonshire Commissioner Fire and Rescue Authority. Having the same internal auditors for Fire and Policing enables a comprehensive and holistic internal audit plan to be delivered across all services which will also provide efficiencies for both Fire and Police.

The Chief Constable produces an annual update for the PFCC on the progress of recommendations and the PFCC asks for updates on specific audits as appropriate.

The agreed audit plan was approved by the PFCC and considered by the JIAC in March 2024. The plan covered areas of risk and internal control. At the date of the reviewing the draft annual internal auditor report at the end in June 2025, three audit reports remained in draft form with final versions imminent. The assessment of internal controls for these audits and overall are not expected to change when these are finalised.

Forvis Mazars determine one of the following assurance levels on conclusion of each audit:

Substantial Assurance	The framework of governance, risk management and control is adequate and effective.
Moderate Assurance	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited Assurance	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory Assurance	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.



The 2024/25 assurance received shows a good internal control environment and ratings for each audit is as follows:

Audit Area	Assurance Rating	
	2023/24	2024/25
Head of Internal Audit Annual Report	Moderate	Moderate
Core Financials*	Moderate	Moderate
Payroll	Moderate	
Fleet Management	Moderate	
Released Under Investigation	Moderate	
Reasonable Adjustments	Moderate	
Firearms Licensing	Moderate	
IT Asset Management*	Moderate	
IT Identity Access Management*	Limited	
Vetting	Moderate	
Procurement		Moderate
Workforce Planning		Moderate
Governance*		Moderate
Medium Term Financial Plan		Substantial
Business Continuity & Emergency Planning**	Limited	Improved
OPFCC Grants		Substantial
Asset Management*		Moderate
Estates Management*		Moderate
IT Governance*		Moderate

* Denote joint audits with NCFRA (Fire)

** A 'follow up' audit was undertaken to review progress on previous recommendation and noted a much improved position for Business Continuity & Emergency Planning.

The draft Internal Audit Annual Report for 2024/25 was produced and will be considered by the JIAC at their meeting in July 2025. The results of the report are summarised as follows:

“On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work and detailed in our individual reports. These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as ‘Medium’. All of these have been, or are in the process of being addressed, as detailed in our individual reports...”

CIPFA Financial Management Code

The CIPFA Financial Management Code translates the principles of good financial management into a series of financial standards that comprise: leadership and accountability, governance and financial management, medium term financial planning to inform and ensure financial resilience and monitoring financial performance to address emerging issues through to financial reporting. Taken together, these financial management standards underpin the effective governance of the use and control of resources utilised by the OPFCC and OCC in pursuance of their stated objectives.



The s151 Officers, together with the Joint Finance Team and Joint Assistant Chief Officer for Enabling Services have considered a self-assessment against this framework. This review highlighted that compliance has mainly been achieved in all significant areas of the framework and a small number of areas have been highlighted for further consideration in 2025/26, and this is captured in the Annual Governance Statement (AGS) action plan as a recommendation.

Review of Effectiveness

There were four JIAC meetings during the year, and workshops to go through all the draft 2023/24 Statement of Accounts in detail. The four meetings considered the following across Fire and Police:

JIAC Meeting	Areas Covered	Fire	Police
July 2024	Meeting of members with auditors without officers present	Y	Y
	Annual Report of the JIAC and Terms of Reference Review	Y	Y
	External Audit Update	Y	Y
	Internal Audit Annual Report 2023/24	Y	Y
	Internal Audit Progress Report 2024/25	Y	Y
	Internal Audit progress against recommendations update	Y	-
	HMICFRS Update	Y	Y
	Disaster Recovery Update	Y	Y
	System Implementation Update	Y	Y
NCFRA Audit Update – Restricted	Y	-	
October 2024	External Audit Update	Y	Y
	Internal Audit Progress Report 2024/25	Y	Y
	Internal Audit progress against recommendations update	-	Y
	HMICFRS Update	-	Y
	Anti-Fraud and Corruption Processes	Y	-
	2025/26 Budget and MTFP Processes, Plan and Timetable	Y	Y
OPFCC Risk Register Update	-	Y	
December 2024	External Audit Update	Y	Y
	Internal Audit Progress Report 2024/25	Y	Y
	Internal Audit progress against recommendations update	Y	-
	HMICFRS Update	Y	-
	Risk Register Update	-	Y
	Anti-Fraud and Corruption Processes	-	Y
	Complaints Procedure	Y	Y
	Chief Constable Recruitment Update	-	Y
Disaster Recovery and Cyber Update	Y	Y	
March 2025	External Audit Update	Y	Y
	Internal Audit Progress Report 2024/25	Y	Y
	Internal Audit Plan 2025/26	Y	Y
	Internal Audit progress against recommendations update	-	Y
	HMICFRS Update	-	Y
	Risk Register Update	Y	-
	2025/26 Treasury Management Strategy	Y	Y



During 2023/24 Northamptonshire Police were subject to a Police Effectiveness, Legitimacy and Efficiency (PEEL) Inspection. The inspection results were published in February 2024, as summarised in the narrative statement earlier in these accounts.

The CC put in place an action plan and the PFCC has been holding the CC to account for progress by requiring regular monitoring reports to the Accountability Board. An update on HMICFRS improvement action is also considered by JIAC during the year.

Significant Governance Issues

In the period between publishing these accounts in draft and the conclusion of external audit, a governance concern arose following a Court of Appeal finding that the Chief Constable of Northamptonshire Police was in contempt of court. The contempt judgment stemmed from the Force's failure to disclose critical body-worn video footage relating to the 2021 arrest of Nadine Buzzard-Quashie. The Court found that statements made on behalf of the force were false, and the Chief Constable was subsequently held accountable in law. In imposing a £50,000 fine, the Court emphasised the gravity of systemic governance and transparency failures, with sanctioning explicitly justified by the seriousness and duration of the non-compliance.

These events have triggered an immediate and comprehensive review by the Police, Fire and Crime Commissioner's office to reinforce our compliance frameworks, ensure full transparency in judicial and regulatory engagements, and confirm that governance structures – particularly oversight of legal and disclosure obligations – are both robust and consistently enforced. The organisation remains fully committed to upholding the highest standards of accountability, and these measures will ensure similar failures are prevented in future.

The Police, Fire and Crime Panel called an extraordinary meeting to gain transparent oversight of the matter and have been appraised of the terms of reference for the review. They will continue to be engaged and informed.

Other than the matter arising above, there were no other formal reports issued by the Chief Finance Officer or Monitoring Officer during the year, outcomes of Monitoring Officer Investigations, objections from local electors or ombudsman referrals.

The financial settlement for 2025/26 enabled the PFCC to set a balanced budget with an agreed realistic efficiency plan which will be kept under close review.

Fixed Asset Strategies, Reserves, Treasury Management Strategies and a Capital Programme are in place, and the Capital Programme is regularly reviewed to ensure deliverability and affordability. It remains essential that opportunities to build resilience and capacity and maximise efficiencies continue to be taken forward. The internal control framework continues to develop, and it is important that this momentum is maintained.



Actions

Good progress has been made on implementing the recommendations to date identified in the governance statements for previous years as follows:

Progress on 2024/25 Internal Control Action Plan		
Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.	Recommendation 1: To undertake a review of the collaboration agreement between Police and Fire to ensure that governance arrangements are relevant and up to date.	Complete A refreshed collaboration agreement has been signed off by all parties.
Principle G: Implementing good practices in transparency, reporting and accountability.	Recommendation 2: To improve the consistent application of governance principles to option appraisals and investment decisions, ensuring business cases are robust and go through all the appropriate channels for well-informed decision-making.	Ongoing Whilst there has been progress, there is still work to do with a project underway to review governance and documentation in relation to business cases/appraisals.
Principle G: Implementing good practices in transparency, reporting and accountability	Recommendation 3: The Commercial Team are embedded and have Value-for-Money at the core of all activities. However, there are improvements to be made with regard to ICT contracts and ensuring full and timely involvement of commercial specialists.	Ongoing Departmental changes have been made to improve grip on this area. Whilst there has been progress, there is still work to do to be fully on top of the ICT pipeline.
Principle G: Implementing good practices in transparency, reporting and accountability	Recommendation 4: Take forward the actions Identified from the self-assessment of the CIPFA Financial Management Code.	Ongoing Improvements continue. No new areas of improvement have been identified for the coming year.



Actions for 2025/26

Following the assessment of internal controls, the following areas have been recommended to improve internal controls for 2025/26:

2025/26 Internal Control Action Plan	
Principle G: Implementing good practices in transparency, reporting and accountability.	Recommendation 1: To improve the consistent application of governance principles to option appraisals and investment decisions, ensuring business cases are robust and go through all the appropriate channels for well-informed decision-making.
Principle G: Implementing good practices in transparency, reporting and accountability	Recommendation 2: The Commercial Team are embedded and have Value-for-Money at the core of all activities. However, there are improvements to be made with regard to ICT contracts and ensuring full and timely involvement of commercial specialists.
Principle G: Implementing good practices in transparency, reporting and accountability	Recommendation 3: Take forward the actions Identified from the self-assessment of the CIPFA Financial Management Code.
Principle E: Developing Capacity and Capability	Recommendation 4: Following a review into vetting arrangements, the Force should ensure vetting standards are upheld and the team has sufficient capacity to manage their workload.

Conclusion

We propose over the coming year to take steps to address the above matters to progress the actions and further enhance our governance arrangements.

Looking ahead, there is a clear commitment to continuous improvement, adapting governance arrangements to remain agile, inclusive, and resilient in the face of evolving public expectations, policy developments, and operational pressures. Regular review and enhancement of governance processes will help ensure the organisation continues to deliver public value, maintains trust, and upholds the highest standards of public accountability.

Signed:

Nick Alexander
Chief Finance Officer (s151)
 Date: 26/02/26

Ivan Balhatchet
Northamptonshire Chief Constable
 Date: 26/02/2026



ANNUAL GOVERNANCE STATEMENT (COLLABORATION)



ANNUAL GOVERNANCE STATEMENT FOR REGIONAL COLLABORATION 2024/25

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

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

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

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

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

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

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

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

4. Incorporating good governance arrangements in respect of partnerships.

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

Signed
Diane Coulson
ACC (East Midlands)

Date 15/05/2025



GLOSSARY OF TERMS

Accounting Period

The period of time covered by the Accounts, normally a period of twelve months commencing on 1 April.

Accrual

The recognition, in the correct accounting period, of income and expenditure as it is earned and incurred, rather than as cash is received or paid.

Agency Arrangements

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

Budget

A statement of the OPFCC's plans in financial terms. A budget is prepared and approved by the PFCC before the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds value to the life or value of an existing fixed asset.

Capital Financing Requirement

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

Capital Receipts

These are proceeds from the sale of capital assets.

CIPFA

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

Contingent Liabilities

A potential liability at the balance sheet date when the Accounts are submitted for approval. The liability will be included in the balance sheet if it can be estimated with reasonable accuracy otherwise the liability will be disclosed as a note to the Accounts.

Corporate Democratic Core

This includes the cost of the corporate infrastructure (e.g., the Chief Executive and Treasury Offices, and external audit fees), and the cost of democratic representation.

Council Tax

The local tax levied on householders, based on the relative market values of property, which helps to fund local services.



Creditors

Individuals or organisations to whom the OPFCC owes money.

Current Assets and Liabilities

Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short-term.

Debtors

Individuals or organisations who owe the OPFCC money.

Deferred Liabilities

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

Earmarked Reserves

Monies set aside that are intended to be used for a specific revenue or capital purpose.

Employee Costs

The salaries and wages of employees together with national insurance, superannuation and all other pay-related allowances. Training expenses and professional fees are also included.

Finance Lease

A finance lease normally involves payment by a lessee to a lessor of the full cost of the asset, together with a return on the finance provided by the lessor. The lessee has substantially all the risks and rewards associated with the ownership of an asset, other than legal title.

International Financial Reporting Standards (IFRS)

These standards are developed by the Accounting Standards Board to regulate the preparation of financial statements. The Companies Act 1985, which was later adopted by the SORP making it mandatory for Public Bodies and therefore requires compliance of these Standards or disclosures in the notes if there are any material departures from those standards.

Fixed Assets

These consist of: -

- Tangible: These are assets that yield benefits to the OPFCC for a period of more than one year (e.g. buildings and equipment)
- Intangible: Under IAS 38 (Goodwill and Intangible Assets), intangible assets are those that do not have physical substance but are identifiable (e.g. software and software licences)

Formula Grant Distribution System

A mechanism by which Central Government determines how much Revenue Support Grant, Home Office Police Grant and Business Rates each local OPFCC should receive in a given year to provide a common level of service. For the police service it is principally based on the resident and daytime populations, plus relevant socio-economic characteristics, for the area covered by an OPFCC.



IAS 19 Retirement Benefits

An accounting standard that requires the recognition of long-term commitments made to employees in respect of retirement benefits in the year in which they are earned.

Impairment

A reduction in value in an asset caused by a general fall in prices, obsolescence or a clear consumption of economic benefit.

Interest Income

The money earned from the investment of surplus cash.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current values less the cumulative amounts provided for depreciation.

Non-Distributed Costs

This consists of charges for police officers and police staff early retirements.

Operating Lease

An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.

Outturn

The actual amount spent in the financial year.

Payments in Advance

These represent payments made prior to supplies and services received.

Pension – Defined Benefit Scheme

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

Pension Assets – Expected Rate of Return

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

Pension – Interest Costs

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settle.

Pension – Past Service Costs

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



Pension Fund

A fund which makes pension payments on retirement of its participants.

Pensions Top-Up Grant (PTUG)

A grant from the Home Office that funds the difference between a nationally agreed employer's contribution paid into the Pension Fund Account, employee contributions and benefits paid to pensioners during the year.

Precept

The method by which the OPFCC obtains the income it requires from council tax via the collection Authorities (i.e. the unitary councils in Northamptonshire).

Provision

An 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.

Prudential Code

The code developed by CIPFA that sets out a framework for self-regulation of capital spending, in effect allowing OPFCC's to invest in capital projects which best meet their service delivery objectives as long as they are affordable, prudent and sustainable. The code came into Force from 1 April 2004 and is incorporated into the Local Government Act 2003 and associated regulations.

Public Works Loan Board (PWLB)

A government agency which provides longer-term loans to Local OPFCC's at interest rates only slightly higher than those at which the government itself can borrow.

Receipts in Advance

These represent income received prior to supplies and services being provided by the OPFCC.

Receipts and Payments

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

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.

Revenue Contributions

Capital Expenditure funded from the Revenue Account which reduces the requirement to borrow.



AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR NORTHAMPTONSHIRE

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of the Chief Constable for Northamptonshire (the 'Chief Constable') for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including material accounting policy information, and include the police pension fund financial statements comprising the Police Pension Fund Account, Net Asset Statement and notes to the Police Pension Fund Account. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2025 and of the Chief Constable's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for qualified opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Chief Constable to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 27 February 2025 we issued a disclaimer of opinion on the Chief Constable's financial statements for the year ended 31 March 2024. We were unable to obtain sufficient appropriate audit evidence by the previous backstop date in respect of the following balances reported in the Chief Constable's financial statements for the year ended 31 March 2024:

- opening balances;
- in-year movements in the net pension liability; and
- the closing balance of the net pension liability of £1,055 million and the closing reserves balances of £1,057 million.

In addition to this, our audit opinion on the current period's financial statements is modified because we were unable to satisfy ourselves over the membership data used in the actuarial valuation of the Chief Constable's police pension liability of £953.6 million as at 31 March 2025. Member data is submitted to the actuary for the quadrennial valuation of the police pension scheme liability, and the last valuation was as at 31 March 2020. This member data is then rolled forward by the actuary in each subsequent valuation. As a disclaimer of opinion was issued on the financial statements for the year ended 31 March 2024 we have been unable to conclude that the member data rolled forward by the actuary and used in the 31 March 2025 valuation was complete and accurate.

Our audit opinion on the current period's financial statements is also modified because of the possible effect of this matter, and the matter included above, on the comparability of the current period's figures and the corresponding figures. This enables the Chief Constable to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's



responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves over the membership data used in the actuarial valuations of the Chief Constable's police pension liability of £953.6 million as at 31 March 2025. We have concluded that where the other information refers to the police pension liability balance or related balances or disclosures, it may be materially misstated for the same reason.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statements do not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 or are misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statements address all risks and controls or that risks are satisfactorily addressed by internal controls.



We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Chief Constable and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Chief Constable without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the



Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, the Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2006, and the Police Pensions Regulations 2015.

- We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journal entries that altered the financial performance for the year.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on manually posted journals, including those with a material impact on the surplus/deficit on provision of services line of the Comprehensive Income and Expenditure Statement;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuations of pension liabilities within the balance sheet; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including risk of management override of controls. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:



- The Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

- The Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter except on 25 February 2026, we identified a significant weakness in the Chief Constable's arrangements for governance. This was in relation to arrangements for ensuring informed decision making, allowing for appropriate challenge, and ensuring that the Chief Constable was meeting legislative and regulatory requirements. We recommended that the Chief Constable identifies and addresses the failings that led to the recent court of appeal ruling.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.



Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Northamptonshire for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Laurelin Griffiths

Laurelin Griffiths, Key Audit Partner for and on
behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

26 February 2026

NORTHAMPTONSHIRE
POLICE

Fighting Crime. Protecting People.



NORTHAMPTONSHIRE POLICE

