Statement of Accounts

2025/26

The Chief Constable of Hertfordshire Constabulary

Contents

Narrative Report

1. Organisational Overview and External Environment

The Chief Constable for Hertfordshire is responsible for the direction and control of operational policing and for delivering services in line with the priorities set by the Police and Crime Commissioner (PCC). The external environment continues to be characterised by financial constraints, inflation, workforce cost increases and rising operational demand. These factors introduce uncertainty into financial planning and delivery within the resources allocated by the Police and Crime Commissioner.

2. Governance

The Chief Constable operates within established governance arrangements as set out in the Scheme of Governance and Financial Regulations, supported by statutory officers and formal scrutiny structures.

The Annual Governance Statement provides assurance that the governance, risk management and internal control framework within Hertfordshire Constabulary is adequate and effective, whilst identifying areas for further enhancement.

This supports the view that the financial performance and position presented in these accounts are underpinned by an effective control framework. Financial sustain ability remains dependent on the delivery of planned efficiencies, maintenance of financial discipline and timely implementation of agreed management actions, which are subject to ongoing governance and oversight.

3. Operational Model

The Chief Constable is responsible for the delivery of policing services using resources allocated by the Police and Crime Commissioner, including workforce and operational equipment. The operational model combines local policing, specialist capabilities and collaborative arrangements. These include those delivered through the Bedfordshire, Cambridgeshire and Hertfordshire partnership. The model continues to rely in part on non-recurring mitigations, including vacancy-related underspends, which presents a risk to longer-term sustainability.

4. Strategy and Resource Allocation

Resource allocation is determined by the Police and Crime Commissioner through the Medium-Term Financial Strategy and the Police and Crime Plan. The Chief Constable is responsible for managing these resources to deliver operational policing efficiently and effectively, balancing operational demand, workforce requirements and financial sustainability.

5. Performance

The Chief Constable accounts for the majority of operational expenditure incurred in delivering policing services during 2025/26. Financial performance reflects operational delivery within the resources allocated by the Police and Crime Commissioner, with variances arising from operational demand, workforce movements and non-pay expenditure. The overall Group financial position is reported in the Police and Crime Commissioner accounts. The Annual Governance Statement provides assurance over the effectiveness of the control environment supporting this performance.

6. Risks and Opportunities

The principal risks relating to operational delivery include demand pressures, workforce capacity, cost inflation and delivery within the funding envelope set by the Police and Crime Commissioner, and the effective management of associated operational and financial pressures. Risk management arrangements are embedded and overseen through the governance framework, including alignment with the strategic risk framework described in the Annual Governance Statement.

7. Outlook

The operational and financial outlook remains challenging and subject to uncertainty. The Chief Constable will continue to focus on delivering policing services efficiently, managing demand and supporting financial sustainability through effective operational delivery, workforce management and cost control within the resources available. Delivery is dependent on workforce stability, cost control and effective operational planning.

8. Basis of Preparation

This Narrative Report has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. It is intended to provide a fair, balanced and understandable overview of the Chief Constable's financial performance, financial position, governance context and principal risks. The detailed basis of preparation, including accounting policies, reporting entity considerations and critical judgements in applying those policies, is set out in the notes to the financial statements.

Basis of Financial Reporting and Group Boundary

The Statement of Accounts summarises transactions for the financial year ended 31 March 2026 and the financial position at that date. The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, based on International Financial Reporting Standards. The Accounts present a true and fair view of the financial performance and position of the Chief Constable.

Corporate Structure and Reporting Entity

Under the Police Reform and Social Responsibility Act 2011, the Police and Crime Commissioner and the Chief Constable are established as separate legal entities, each being a corporation sole.

The Chief Constable is responsible for the direction and control of the Constabulary and the operational use of resources.

The Police and Crime Commissioner retains responsibility for overall financial administration, including holding the Police Fund, setting the budget and council tax precept, and determining the funding framework within which policing is delivered.

Both the Police and Crime Commissioner and the Chief Constable are required to produce separate Statements of Accounts in accordance with statutory requirements.

For financial reporting purposes:

- General funding, including council tax and core grant funding, is recognised in the Police and Crime Commissioner accounts. Income, grants and contributions that are directly attributable to expenditure incurred by the Chief Constable are recognised in the Chief Constable's accounts where this reflects the underlying substance of the transaction and is consistent with the accounting policies and the Code.

- Operational policing expenditure is incurred by the Chief Constable.

- The Police and Crime Commissioner and the Chief Constable are treated as a group in accordance with the Code.

Group Boundary and Consolidation

For financial reporting purposes, the Police and Crime Commissioner is treated as the parent entity and the Chief Constable as a subsidiary entity. Group accounts are prepared by the Police and Crime Commissioner where the financial impact of consolidation is material in accordance with the Code. The Chief Constable's accounts recognise those transactions, balances and liabilities that relate to resources under the Chief Constable's direction and control.

Judgement is applied in determining:

- the extent of the group boundary; and
- the materiality of group transactions and balances

These judgements are made in accordance with the requirements of the Code and have a direct impact on the presentation of the financial statements, including the treatment of intra-group transactions and disclosures. The detailed basis on which these judgements are applied is set out in the Accounting Policies note to the financial statements.

Scope and Basis of Preparation

The Accounts have been prepared on a going concern basis and in accordance with the accruals concept, such that income and expenditure are recognised when they are earned or incurred, rather than when cash is received or paid.

The detailed accounting policies adopted by the Chief Constable, including the recognition and measurement of:

• employee benefits and pension liabilities

• financial instruments

• provisions

together with the application of accounting policies relevant to assets, reserves and funding arrangements held by the Police and Crime Commissioner, are set out in the Accounting Policies and supporting notes to the financial statements.

This section provides a high-level explanation of the organisational structure, reporting entity and basis of financial reporting for the Chief Constable's Statement of Accounts. It is intended to assist the reader in understanding the relationship between the Police and Crime Commissioner, the Chief Constable and the Group accounts. It does not replace the formal accounting policies, critical judgements or supporting disclosures, which remain the authoritative basis for the preparation and presentation of the financial statements.

Further information on the financial statements presented in this document can be obtained from the Head of Finance at the Constabulary (email James.Kidd@herts.police.uk).

Statement of Responsibilities for the Statement of Accounts

The Chief Constable of Hertfordshire's Responsibilities

The Chief Constable is required to:

- make arrangements for the proper administration of the Office of the Chief Constable's financial affairs and to secure that one of its officers (the Chief Finance Officer) has responsibility for the administration of those affairs.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

I confirm that I approve these accounts following completion of the audit.

Signed: **Date:**

Andy Mariner – Acting Chief Constable of Hertfordshire Constabulary

The Chief Constable of Hertfordshire Constabulary Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Office of the Chief Constable's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code)

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

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

The Chief Finance Officer has also:

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

I confirm this Statement of Accounts gives a true and fair view of the financial position of the Chief Constable as at the accounting date and its income and expenditure for the year ended 31 March 2026.

Signed: * **Date:**

Ian Rooney – Chief Finance Officer

Independent Auditor's Report to The Chief Constable of Hertfordshire

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Key Statements

Comprehensive Income and Expenditure Statement

This statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day-to-day expenses 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.

2024/25					2025/26		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Note		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
140,372	-1,736	138,636		Operational Delivery *	-	-	-
38,086	-820	37,266		Strategy And Prevention *	-	-	-
-	-	-		Public Contact, Custody & LPC *	128,551	-484	128,067
-	-	-		Crime & Public Protection *	45,861	-1,382	44,479
18,782	-1,701	17,081		Resources	19,229	-2,619	16,610
10,599	-21,938	-11,339		Corporate Budgets	13,258	-25,722	-12,464
4,597	-372	4,225		DCC Budgets	9,020	-265	8,755
33,402	-5,704	27,698		Protective Services	32,912	-6,617	26,295
19,198	-3,361	15,837		Operational Support	19,295	-3,544	15,751
14,919	-1,049	13,870		Organisational Support	15,218	-1,213	14,005
279,955	**-36,681**	**243,274**		**Cost of Services**	**283,344**	**-41,846**	**241,498**
		72,932	10	Financing and investment income and expenditure			78,387
		-275,179	11	Police and Crime Commissioner funding for financial resources consumed			-285,134
		41,027		**(Surplus) or Deficit on the Provision of Services**			**34,751**
		-192,455	21	Re-measurement of the net defined benefit liability			-76,440
		-192,455		**Other Comprehensive Income and Expenditure**			**-76,440**
		-151,428		**Total Comprehensive Income and Expenditure**			**-41,689**

* Following an organisational restructure in 2025/26, the 'Public Contact, Custody and Local Policing Command' and 'Crime and Public Protection' departments were created, largely containing functions previously within the 'Operational Delivery' and 'Strategy and Prevention' departments. Prior year comparators for 2024/25 balances and transactions have been disclosed in line with the structure in place during that time.

Movement in Reserves Statement

This statement shows the movement in the 2024/25 and 2025/26 financial years on the different reserves held by the Chief Constable. The only transactions shown in this statement relate to the Pensions Reserve and the Accumulated Absences Reserve (reflecting movements relating to police officers and police staff under the direction and control of the Chief Constable). All other reserves are managed by the Police and Crime Commissioner.

	Police Fund £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	**-**	**-**	**-1,576,378**	**-1,576,378**
Movement in reserves during 2024/25				
Total Comprehensive Income and Expenditure	-41,027	-41,027	192,455	**151,428**
Adjustments between accounting basis and funding basis under regulations*	41,027	41,027	-41,027	**0**
Increase / (Decrease) in Year	**-**	**-**	**151,428**	**151,428**
Balance at 31 March 2025 carried forward	**-**	**-**	**-1,424,950**	**-1,424,950**
Historic Adjustment	-	-	10	10
Restated Balance at 31 March 2025 carried forward	**-**	**-**	**-1,424,940**	**-1,424,940**
Movement in reserves during 2025/26				
Total Comprehensive Income and Expenditure	-34,751	-34,751	76,440	41,689
Adjustments between accounting basis and funding basis under regulations*	34,751	34,751	-34,751	-
Increase / (Decrease) in Year	**-**	**-**	**41,689**	**41,689**
Balance at 31 March 2026 carried forward	**-**	**-**	**-1,383,251**	**-1,383,251**

* See note 9

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The Chief Constable recognises in his Balance Sheet assets and liabilities relating to police officers and police staff under his direction and control matched by financial guarantees from the Police and Crime Commissioner. All other balances are held by the Police and Crime Commissioner.

31 March 2025 £'000	Note		31 March 2026 £'000
23,889	12	Short-Term Debtors	29,100
6,891	14	Intra-Entity Debtor	-
30,780		**Current Assets**	**29,100**
-27,430	13	Short-Term Creditors	-25,810
-8,820	15	Provisions for Accumulated Absences	-8,681
-	14	Intra-Entity Creditor	-782
-36,250		**Current Liabilities**	**-35,273**
-3,350		Provisions	-2,508
-1,416,130	21	Other Long-Term Liabilities	-1,374,570
-1,419,480		**Long-Term Liabilities**	**-1,377,078**
-1,424,950		**Net Assets / (Liabilities)**	**-1,383,251**
-1,424,950	15	Unusable Reserves	-1,383,251
-1,424,950		**Total Reserves**	**-1,383,251**

Signed:

Ian Rooney – Chief Finance Officer

Date:

* Official signed version held at Police HQ in Welwyn Garden City

Cash Flow Statement

The Cash Flow Statement shows the changes in cash equivalents of the Chief Constable during the reporting period. All cash equivalents are held by the Police and Crime Commissioner and so there are no entries in this statement.

2024/25 £'000		2025/26 £'000
-41,027	Net Surplus or (Deficit) on the Provision of Services	-34,751
41,027	Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements	34,751
-	**Net cash flows from Operating Activities**	**-**
-	**Net increase or (decrease) in cash and cash equivalents**	**-**
-	Cash and cash equivalents at the beginning of the reporting period	**-**
-	**Cash and cash equivalents at the end of the reporting period**	**-**

The following adjustments were made to remove non-cash items from the surplus or deficit on the provision of services:

2024/25 £'000		2025/26 £'000
	Adjustment for non-cash movements:	
98,706	Amount by which pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations	97,372
-58,451	Employer's contribution payable to the Pension Fund and retirement benefits payable directly to pensioners (including additional contributions payable to balance a deficit on the Police Pension Fund Account)	-62,482
-974	Provisions	-842
772	Transfer To / (From) the Accumulated Absences Account	-139
	Adjust for accruals:	
8,803	(Increase) / Decrease in Revenue Debtors	-5,211
3,759	Increase / (Decrease) in Revenue Creditors	-1,620
-11,588	(Increase) / Decrease in Intra-Entity Debtor/Creditor	7,673
41,027	**Total Non-Cash Movements**	**34,751**

Notes to the Statements of Accounts 2025/26

Note 1 - General Accounting Policies

This section explains the accounting policies which have been applied in preparing these accounts, and the basis of preparation has also been outlined within the narrative report from page 10.

General Principles

The Chief Constable, PCC and Group have adopted a common set of accounting principles. Only those principles directly applicable to the Chief Constable's Accounts are shown below. A full set of Group Principles is disclosed within the Group / PCC Accounts.

The Statement of Accounts summarises the Chief Constable's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which these regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 published by CIPFA, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 21(2) of the Local Government Act 2003.

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

Accruals

Estimation techniques are the methods adopted by the Chief Constable to arrive at the estimated monetary amounts, corresponding to the measurement bases selected for assets, liabilities, gains, losses and changes in reserves. The policies are therefore set to specify the basis on which an item will be measured: where there is uncertainty over how to measure this, the amount has been arrived at using an estimation or accrual technique.

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. The Chief Constable's Balance Sheet holds debtors and creditors relating to the provision of policing services. In particular:

- Revenue from the provision of goods or services is recognised in line with IFRS15.
- Supplies and services (including services provided by employees) are recorded as expenditure when they are consumed or the services are received.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- The actual cost of employees and police officers is recorded in the accounts. Accruals are made for the payment of police overtime, pension and tax liabilities based on the actual March payments and included as creditors on the Balance Sheet.

Accumulated Absences Account

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement to the Accumulated Absences Account which absorbs the differences that would otherwise arise on the Police Fund Balance, so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs. All transactions and balances relating to the above are disclosed within the accounts of the Chief Constable on the basis of materiality.

Cash and Cash Equivalents

Whilst the Chief Constable does not hold a bank account, cash is expended at his request as resources are consumed and a share of working capital and provisions are included within his Balance Sheet. A Cash Flow statement has therefore been prepared to reconcile the Net Surplus or Deficit on the Provision of Services to Cash and Cash Equivalents held at the end of the reporting period.

Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts

Defined Benefit Pension Schemes

Post-Employment Benefits

The Chief Constable participates in four pension schemes. Each scheme provides members with defined benefits related to pay and service. The costs of providing pensions for employees are charged to the Police Fund in accordance with the statutory requirements governing each scheme. The schemes are as follows:

Police Officer Schemes

There are three schemes for police officers; - The 1986 Police Pension scheme which closed to new members on the 31 March 2006, the 2006 Police Pension scheme which closed to new members on the 31 March 2015 and the 2015 Police Pension Scheme which was introduced from 1 April 2015. These are unfunded defined benefit final salary schemes, charged to the Police Fund based upon an equivalent employer's contribution rate of 35.3% of pensionable pay.

Unfunded means that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The direct expenditure and income in respect of these schemes is accounted for in the Police Pension Fund Account. Under the Police Pension Fund Regulations 2007, if the amount payable by the pension fund for the year is less than the amount receivable, the Chief Constable must annually transfer an amount required to meet the deficit to the pension fund. Up to 100% of this cost is met by central government pension top up grant shown in the OPCC's Accounts under Other Operating Expenditure. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Chief Constable and the amount repaid to central government.

Police Staff

All transactions and balances relating to the accounting for Post-Employment Benefits of Police Staff, other than the cost of employee contributions for staff employed by the PCC, are disclosed within the accounts of the Chief Constable on the basis of materiality.

All police staff are eligible to join the Local Government Pension Scheme (LGPS), managed by Hertfordshire County Council. The total pension cost that is charged to the Police Fund equals the contribution paid to the funded pension scheme for these employees.

The LGPS Scheme is accounted for as a defined benefits scheme as follows:

a) The liabilities of the fund attributable to the Chief Constable are included in the Balance Sheet on an actuarial basis using the projected unit method. This is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

b) Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.

c) The assets of the fund attributable to the Chief Constable are included in the Balance Sheet at their fair value:

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

d) The change in the net pensions liability is analysed into seven components:

i. Current Service Cost – The increase in liabilities as a result of years of service earned this year is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

ii. Past Service Cost – The increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years is debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

iii. Interest Cost – The expected increase in the present value of liabilities during the year as they move one year closer to being paid is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

iv. Expected Return on assets – The annual investment return on the fund assets attributable to the Chief Constable, based on an average of the expected long-term return is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

v. Gains or Losses on settlements and curtailments – The result of actions to relieve the Chief Constable of liabilities or events that reduce the expected future service or accrual of benefits of employees is debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

vi. Re-measurements of the net defined liability. This includes actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest on the net defined benefit liability.

vii. Contributions Paid to the pension fund – Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

The Chief Constable also has restricted powers to make discretionary awards of retirement benefits to Police Officers in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year the award was made and accounted for using the same policies as are applied to the Local Government Pension Scheme or Police Pension Schemes. There are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Events after the Balance Sheet Date

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

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

Financial Assets

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Any gains and losses that arise on the de-recognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Chief Constable for Hertfordshire becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost.

An assessment is made annually as to what level of debts are outstanding at the end of the financial year and an impairment allowance for expected credit losses is calculated and charged to the Financing & Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This has the impact of reducing the debtors balance shown within the balance sheet.

Grant & Partner Income – Government & Non-Government Grants

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

- the Chief constable will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Chief Constable are not credited to the Comprehensive Income and Expenditure Statement until the conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control where the parties are bound by a contractual arrangement, and the contractual arrangement gives two or more of those parties joint control of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. To be a joint operation, the arrangement must meet the definition of joint control where decisions about the relevant activities of the arrangement require the unanimous consent of all the parties sharing control.

The Chief Constable in conjunction with other parties participates in a number of joint operations that involve the use of the assets and resources of the parties. Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Chief Constable and other parties, with the assets being used to obtain benefits for all the parties. The joint operations do not involve the establishment of a separate entity.

The Chief Constable deems these arrangements to be jointly co-controlled operations in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and consequently the Statement of Accounts and the accounting statements only reflect Hertfordshire's share of the associated financial transactions and balances.

Long-Term Contracts – Leases

All leases are in the name of the PCC. Following the implementation of IFRS16, the PCC accounts for all leases as an asset on its Balance Sheet where it has a Right of Use to the asset and the discounted principal owed over the term of the contract is disclosed as a Liability. In previous years, leases were recorded within the Chief Constable's accounts as the leases were specific to the provision of policing services by the Chief Constable and therefore the cost was met by the Chief Constable. More information on the PCC's Leases can be found in Note 36 of the PCC's Statement of Accounts.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Group / PCC to terminate a member of police staff's employment before the normal retirement date or a member of police staff's decision to accept voluntary redundancy and are charged on an accruals basis to the Non-Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Group / PCC is demonstrably committed to the termination of the employment.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Police Fund Balance to be charged with the amount payable by the Group / PCC 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.

Items not Included in the Chief Constable's Accounts

As outlined in Note 4, all capital balances and transactions are disclosed in the PCC's accounts. As such, the following items are not included in the Chief Constable's accounts;

- Capital Expenditure & Receipts
- Charges to Revenue for Non-Current Assets
- Disposals and Non-current Assets Held for Sale
- Intangible Assets
- Investments
- Property, Plant and Equipment
- Usable Reserves

Revenue Recognition

The Chief Constable accounts for revenue recognition in accordance with IFRS 15. This applies to the accounting for revenue arising from the sale of goods and services.

Any income received under contract is recognised in accordance with the performance obligations in the contract.

Revenue is recognised and measured at fair value of the consideration received or receivable except for financial assets otherwise measured as financial instruments. Revenue is recognised when performance obligations have been met. Where there are doubts as to the collectability of an amount already included in revenue an impairment expense is recognised rather than an adjustment made to the revenue already recognised in the Comprehensive Income and Expenditure Statement.

Unusable Reserves

The Chief Constable’s Accounts contain only unusable reserves required to manage the accounting processes for retirement and employee benefits. These reserves do not represent usable resources for the Chief Constable and are explained in the relevant policies.

VAT

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

Note 2 - Changes in Accounting Policies

There are no changes in accounting policies which had a material impact for the 2025/26 Statement of Accounts.

Note 3 - Accounting Standards That Have Been Issued but Not Yet Adopted

The following sets out amendments to accounting standards or new accounting standards that have been issued but will not be adopted by the Code until 2026/27.

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

Note 4 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. Critical judgements made in the Statement of Accounts for 2025/26 are:

a) Allocation of transactions, benefits and liabilities between the Accounts of the Chief Constable and PCC

   There is a degree of uncertainty about future levels of funding for Police and Crime Commissioners, and consequently Chief Constables. However, it has been determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Group might be impaired as a result of a need to close facilities and reduce levels of service provision.
   A key critical judgement is the allocation of transactions and balances between the accounts of the PCC and those of the Chief Constable. The adopted allocation of expense, income and balances is set out in the following table:

Group CI&E		
Chief Constable's CI&E		**PCC's CI&E**
Cost of Service		**Cost of Service**
- Employee Cost of Officers & Staff under the direction & control of the Chief Constable		- OPCC Domestic Budget - Commissioning Spend - Support from Chief Constable Staff
- Policing Service Non-Pay Expenditure		- IAS19 Current Cost Pension Charges
- IAS19 Current Cost Pension Charges - Accumulated Absences Accruals		- Capital Charges Depreciation & Impairment
- Pension Fund Top-Up Payment		- Specific Grants relating to the PCC
- Income from Fees and Charges		
- Specific Grants relating policing services		
- Expenditure relating to IFRS16 not brought onto the balance sheet		
Other Operating Expenditure		**Other Operating Expenditure**
		- Surplus/Deficit on disposal of non-current assets - Pension Top-Up Grant Income
Financing & Investment		**Financing & Investment**
- IAS19 Pension Net Interest		- IAS19 Pension Net Interest - Capital Financing and Interest on Balances
Taxation and Non-Specific Grants		Taxation and Non-Specific Grants
		- Settlement Funding
		- Accounting for Council tax
Intra Entity Transfer		**Intra Entity Transfer**
- Transfer of funding from the PCC		- Transfer of funding to the CC
Movement in Reserves Statement		Movement in Reserves Statement
		- Revenue Contributions to Capital
		- Minimum Revenue Provision

Group Balance Sheet		
Chief Constable's Balance Sheet		**PCC's Balance Sheet**
Net Assets		**Net Assets**
- Working Capital (CC Share)		- Non-Current Assets
- Provisions		- Working Capital (PCC Share)
- Accumulated Absences Liability		- Investments
- IAS19 Pensions Liability		- Cash & Cash Equivalents
		- IAS19 Pensions Liability
		- Lease Liabilities
		- Provisions
		- Long Term Borrowing
Reserves		**Reserves**
- Accumulated Absences Reserve		- Revaluation Reserve
- IAS19 Pensions Reserve		- IAS19 Pensions Reserve
		- Capital Adjustments Reserve
		- Useable Capital Receipts Reserve
		- Specific Reserves
		- Police Fund

All income, including that from grants, is received and controlled by the Police and Crime Commissioner. As a result, no income is included within the Accounts of the Chief Constable. It has been judged that all property, plant, and equipment is owned and controlled by the PCC and as such is not included in the Chief Constable's Accounts.

The Scheme of Governance sets out that strategic control; ultimately the overarching responsibility for setting the Police and Crime Plan, holding the Chief Constable accountable for the delivery of an efficient and effective police force and the responsibility for the appointment and dismissal of the Chief Constable, is exercised by the PCC. As such, the Accounts of the PCC contain not only the direct costs of his office but also the cost of funding the activities of the Chief Constable and the capital accounting transactions and balances associated with his control over the strategic non-current assets such as Land and Buildings as well as all cash backed reserves.

The Chief Constable has daily direction and control over all police officers and a great majority of police staff; therefore, his Accounts contain the direct cost of employment as well as associated IAS19 transactions and balances associated with his staff.

Stage 2 of the transfer of Staff and Assets required under the Police Reform and Social Responsibility Act 2011 was made on the 1 April 2014. From that date, employment of staff under the direction and control of the Chief Constable transferred to him from the PCC. In addition, a new scheme of governance was introduced to reflect the revised arrangements which set out the consents under which the Chief Constable will operate in the future. The impact of these changes has been limited to the exclusion of IAS19 transactions relating to police staff employed by the PCC from the Chief Constable's Accounts.

b) Collaborative Activities - The Chief Constable participates in a wide range of joint activities with other forces. During 2025/26, these were primarily with Bedfordshire Police and Cambridgeshire Constabulary, to a lesser extent with Thames Valley Police as well as Eastern Region forces. Details of these arrangements as set out in note 19. The Chief Constable deems these arrangements to be jointly co-controlled operations in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and consequently the Statement of Accounts and the accounting statements only reflect Hertfordshire's share of the associated financial transactions and balances.

c) IAS19 Estimation of Pension Liabilities – In response to the outcome of the McCloud and Sargeant cases and the subsequent proposed remedial solution Government, an estimate of additional pension liabilities has been reflected in the IAS19 calculation. IAS19 requires an entity to measure its defined benefit obligations on a basis that reflects: the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period. This approach of including an adjustment for McCloud and Sargeant has been applied to ensure that the accounts show a true and fair view of the pension liability as at 31 March 2026. Further details can be found in note 21.

d) In allocating balances between the PCC and Chief Constable accounts, the Home Office debtor for pension top-up grant due of £0.301m has been included in full in the PCC's accounts.

e) GMP equalisation and indexation. A past service cost was recognised in 2017/18 reflecting a previous extension of the interim solution regarding guaranteed minimum pension ("GMP") indexation, which was announced by HMT in January 2018. Members of public service pension schemes with GMP entitlements who reach State Pension age on or after 6 December 2018 and before 6 April 2021 are covered by this previous extension of the interim solution.

The High Court published its judgement in the Lloyds Banking Group case on the equalisation of GMP that pensions must be equalised for the effects of unequal GMP and the Government has committed to addressing GMP equalisation. Following discussions through the Finance Working Group covering most public service pension schemes, there was general consensus that a past service cost was required during 2019/20 in respect of the additional liabilities in respect of members reaching State Pension age after 6 April 2021, which were included in the 2019/20 accounts.

Note 5 - Assumptions Made About the Future & Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the Chief Constable with expert advice about the assumptions to be applied	Note 21 sets out the sensitivity of the defined pension benefit obligation to significant actuarial assumptions including the impact of adjusting results for the McCloud and Sargeant pension challenges.

Note 6 - Events after the Balance Sheet Date

There are no such events for 2025/26.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts. This is the date at which the CFO signs the audited statement of accounts.

Note 7 - Expenditure and Income Analysed by Nature

The Chief Constable’s expenditure and income is analysed as follows:

	2024/25 £’000	2025/26 £’000
Fees Charges and Other Service Income	-13,683	-14,634
Government Grants and Contributions	-22,998	-28,460
Employee Benefit Expenses	235,755	238,607
Other Service Expenses	44,202	45,983
Interest Payments	72,932	78,387
PCC funding To CC for financial resources consumed	-275,179	-285,134
(Surplus) or Deficit on the Provision of Services	**41,027**	**34,751**

Note 8 - Expenditure and Funding Analysis

The Chief Constable provides a segmental report in the notes to the financial statements together with supporting details and a reconciliation to the Comprehensive Income and Expenditure Statement. The segments mirror the Chief Constable's internal reporting arrangements for reporting at a service level on its budget requirements and monitoring against the approved budget.

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants and council tax) by the Chief Constable 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 across the Chief Constable's reporting structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis

2024/25				2025/26		
Net Expenditure in the CIES*	**Adjustments between the Accounting and Funding basis**	**Net Expenditure Chargeable to the General Fund**		**Net Expenditure in the CIES***	**Adjustments between the Accounting and Funding basis**	**Net Expenditure Chargeable to the General Fund**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
138,636	10,547	149,183	Operational Delivery **	-	-	-
37,266	2,862	40,128	Strategy And Prevention **	-	-	-
-	-	-	Public Contact, Custody & LPC **	128,067	14,884	142,951
-	-	-	Crime & Public Protection **	44,479	5,310	49,789
17,081	1,410	18,491	Resources	16,610	2,226	18,836
-11,340	69	-11,271	Corporate Budgets	-12,464	1,176	-11,288
4,225	346	4,571	DCC Budgets	8,755	1,045	9,800
27,698	2,509	30,207	Protective Services	26,295	3,812	30,107
15,837	1,443	17,280	Operational Support	15,751	2,233	17,984
13,870	1,121	14,991	Organisational Support	14,005	1,761	15,766
243,273	**20,307**	**263,580**	**Cost of Services**	**241,498**	**32,447**	**273,945**
-202,246	-61,334	-263,580	Other Operating Expenditure	-206,747	-67,198	-273,945
41,027	**-41,027**	**0**	**(Surplus) or Deficit on the Provision of Services**	**34,751**	**-34,751**	**-**
		0	**Opening General Fund**			-
		-	Less Surplus / Plus (Deficit) on the General Fund for the Year			-
		0	**Closing General Fund**			**-**

* Comprehensive Income and Expenditure Statement
* Following an organisational restructure in 2025/26, the 'Public Contact, Custody and Local Policing Command' and 'Crime and Public Protection' departments were created, largely containing functions previously within the 'Operational Delivery' and 'Strategy and Prevention' departments. Prior year comparators for 2024/25 balances and transactions have been disclosed in line with the structure in place during that time.

Note to the Expenditure and Funding Analysis - Adjustment Between Accounting and Funding Basis

2024/25	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Operational Delivery *	10,949	-402	10,547
Strategy And Prevention *	2,971	-109	2,862
Public Contact, Custody & LPC *	-	-	-
Crime & Public Protection *	-	-	-
Resources	1,464	-54	1,410
Corporate Budgets	-	69	69
DCC Budgets	359	-13	346
Protective Services	2,605	-96	2,509
Operational Support	1,498	-55	1,443
Organisational Support	1,164	-43	1,121
Cost of Services	**21,010**	**-703**	**20,307**
Other Operating Expenditure	-61,265	-69	-61,334
(Surplus) or Deficit on the Provision of Services	**-40,255**	**-772**	**-41,027**

2025/26	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Operational Delivery *	-	-	-
Strategy And Prevention *	-	-	-
Public Contact, Custody & LPC *	14,818	66	14,884
Crime & Public Protection *	5,286	24	5,310
Resources	2,216	10	2,226
Corporate Budgets	-	1,176	1,176
DCC Budgets	1,040	5	1,045
Protective Services	3,795	17	3,812
Operational Support	2,223	10	2,233
Organisational Support	1,753	8	1,761
Cost of Services	**31,131**	**1,316**	**32,447**
Other Operating Expenditure	-66,022	-1,176	-67,198
(Surplus) or Deficit on the Provision of Services	**-34,891**	**140**	**-34,751**

* Following an organisational restructure in 2025/26, the 'Public Contact, Custody and Local Policing Command' and 'Crime and Public Protection' departments were created, largely containing functions previously within the 'Operational Delivery' and 'Strategy and Prevention' departments. Prior year comparators for 2024/25 balances and transactions have been disclosed in line with the structure in place during that time.

Note 9 - Adjustments between Accounting Basis & Funding Basis under Regulations

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

2024/25	Police Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 21)	98,706	-	-	-98,706
Employer's pensions contributions and direct payments to pensioners payable in the year	-58,451	-	-	58,451
Adjustment primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	772	-	-	-772
Total Adjustments	**41,027**	**-**	**-**	**-41,027**

2025/26	Police Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 21)	97,372	-	-	-97,372
Employer's pensions contributions and direct payments to pensioners payable in the year	-62,482	-	-	62,482
Adjustment primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-139	-	-	-139
Total Adjustments	**34,751**	**-**	**-**	**-34,751**

Note 10 - Financing and Investment Income and Expenditure

	2024/25 £'000	2025/26 £'000
Net interest on the net defined liability	72,932	78,387
Provision for Doubtful Debt	-	-
Total Group	**72,932**	**78,387**

Note 11 - PCC Funding for Financial Resources Consumed

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

The Police and Crime Commissioner provided funding to the Chief Constable for financial resources consumed. The funding provided covers the day to expenses on an accruals basis as well as charges for operational assets consumed in the year. These transactions are reflected in the intra-group accounts of both entities.

The funding does not cover pension (IAS 19) charges and charges for compensated absences as these charges to the Comprehensive Income and Expenditure Statement are reversed in the Movement in Reserves Statement and charged to the Pensions Reserve and Accumulated Absences Account.

	2024/25 £'000	2025/26 £'000
Cost of Service	243,273	241,497
Pensions interest cost	72,932	78,387
Re-measurement of the net defined benefit liability	-192,455	-76,440
CI&E Statement (Surplus) Deficit Pre-PCC Funding	**123,749**	**243,444**
Items Removed through MIRS		
Pensions		
Opening Balance	1,568,330	1,416,130
Historic Adjustment	-	-10
Less Closing Balance	-1,416,130	-1,374,570
	152,200	**41,550**
Accumulated Absences		
Opening Balance	8,048	8,820
Less Closing Balance	-8,820	-8,681
	-772	**139**
PCC Funding for Resources Consumed	**275,177**	**285,134**

Note 12 - Short-Term Debtors

The following table provides an analysis of money owed to the Chief Constable by debtors:

	31 March 2025 £'000	31 March 2026 £'000
Net Trade Debtors	3,047	6,471
Year End Accruals	9,472	11,330
VAT Refund	2,846	2,670
Payments in Advance	8,483	8,596
Payroll Debtor	41	33
Total	**23,889**	**29,100**

All outstanding debts are reviewed throughout the year and a bad debt provision made in respect of those debts for which payment is considered doubtful. At 31 March 2026 the bad debt provision was £0.100m (2024/25 £0.068m).

Note 13 - Short-Term Creditors

The following table provides an analysis of money owed by the Chief Constable to creditors:

	31 March 2025 £'000	31 March 2026 £'000
Net Trade Creditors	-2,078	-1,835
Conditional Grant	-276	-19
Year End Accruals and Grant Held at Year End	-18,308	-17,008
Payroll Deductions	-6,768	-6,947
Total	**-27,430**	**-25,810**

Note 14 - Intra-Entity Creditor / Debtor

	31 March 2025 £'000	31 March 2026 £'000
Short Term Debtors	23,889	29,100
Short Term Creditors	-27,430	-25,810
Provisions	-3,350	-2,508
Intra-Entity (Debtor)/Creditor to the PCC	**-6,891**	**782**

Note 15 - Unusable Reserves

	31 March 2025 £'000	31 March 2026 £'000
Pensions Reserve	-1,416,130	-1,374,570
Accumulated Absences Account	-8,820	-8,681
Total Unusable Reserves	**-1,424,950**	**-1,383,251**

Pensions 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 Chief Constable 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 Chief Constable makes employer's contributions to pension funds or eventually pays 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 Chief Constable 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.

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**-1,568,330**	**-1,416,130**
Historic Adjustment	-	10
Adjusted Balance at 1 April	**-1,568,330**	**-1,416,120**
Actuarial gains or losses on pensions assets and liabilities*	251,494	76,274
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-98,706	-97,372
Employer's pensions contributions and direct payments to pensioners payable in the year	58,451	62,482
Effect of Asset Ceiling	-59,039	166
Balance at 31 March	**-1,416,130**	**-1,374,570**

Accumulated Absences Account

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**-8,048**	**-8,820**
Settlement or cancellation of accrual made at the end of the preceding year	8,048	8,820
Amounts accrued at the end of the current year	-8,820	-8,681
Balance at 31 March	**-8,820**	**-8,681**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-772	139

Note 16 - Financial Instruments

Categories of Financial Instruments

The financial instruments carried in the Balance Sheet are as follows:

	Current	
	31 March 2025 £'000	31 March 2026 £'000
Financial Assets		
- Amortised cost	12,592	17,934
Financial Liabilities		
- Amortised cost	-19,670	-16,658

Fair Values of Assets and Liabilities that are not carried at Fair Value but for which Fair Value disclosures are required

All financial liabilities and financial assets held by the Chief Constable are carried in the balance sheet at amortised cost. The fair values calculated are as follows.

	31 March 2025		31 March 2026	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Assets				
- Amortised cost	12,592	12,592	17,934	17,934
Financial liabilities				
- Amortised cost	-19,670	-19,670	-16,658	-16,658

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 17 - Grant & Partner Income – Government & Non-Government Grants

The Chief Constable credited the following government grants, other grants, contributions and donations representing the receipts on an accruals basis to the Comprehensive Income and Expenditure Statement in 2025/26:

	2024/25 £'000	2025/26 £'000
Credited to Cost of Service		
Police Pension Grant	-6,874	-6,444
Police Community Support Officers Local Authorities	-285	-314
Police Uplift Programme	-7,638	-5,342
ERSOU Grants	-1,871	-2,471
Pay Award Grant	-2,498	-1,831
Hotspot Response Fund	-1,071	-866
McCloud Remedy Compensation	-847	-185
Other Grants and Contributions	-2,209	-11,693
Total Grants Credited	**-23,294**	**-29,146**

Note 18 - Long-Term Contracts – Leases.

The Group / PCC as Lessee

Although the PCC accounts for Lease assets from 2025/26 onwards, the Chief Constable meets the interest costs of leases held, and the cost of the following leases which are excluded from IFRS16 requirements, with the full payment for 2025/26 being charged to the CIES;

- Right of Use Assets with a value under £10,000 (0 in 2025/26).
- Short Life Leases, where contracts terminated in 2025/26 (0 in 2025/26).

The amount charged to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement was £0.286m relating to interest charges (2024/25 - £0.327m).

The Group/PCC as Lessor

The PCC has not entered into any lease arrangements as a lessor.

IFRIC 12

The PCC's contractual arrangements with third parties are kept under continuous review and there are no service concessions under IFRIC 12.

Lease Terms

None of the PCC's lease agreements have terms and conditions in respect of contingent rents, purchase options or escalation clauses. It is considered that there are no restrictions other than those that are standard conditions in operating lease agreements such as the occupier's responsibilities and changes of use.

The property lease agreements include clauses in respect of the renewal of leases at specified points in the future. The PCC will wish to discuss renewal terms with lessors at such future dates.

Note 19 - Joint Arrangements

Bedfordshire, Cambridgeshire and Hertfordshire Collaborative Units

Bedfordshire Police, Cambridgeshire Constabulary and the Chief Constable operate a number of collaborative units. The units are jointly funded by the Forces in accordance with agreements approved by the Policing Bodies under Section 22 of the Police reform and Social Responsibility Act 2001. The collaborated units are jointly staffed and funded by the two or three forces as appropriate. The material benefits from working together include improved efficiency, effectiveness and resilience for each of the forces. The table below sets out the aggregate income and expenditure on all collaborative units. Each force's contribution reflects its share of the units and its contribution towards support and accommodation costs.

Beds 2024/25 £'000 (* Restated)	Cambs 2024/25 £'000 (* Restated)	Herts 2024/25 £'000 (* Restated)	Total 2024/25 £'000 (* Restated)		Beds 2025/26 £'000	Cambs 2025/26 £'000	Herts 2025/26 £'000	Total 2025/26 £'000
				Joint Protective Services				
3,853	3,336	3,849	**11,038**	Armed Policing Unit	3,918	3,395	3,919	**11,232**
318	401	569	**1,288**	Taser training	266	336	478	**1,080**
1,122	1,377	1,863	**4,362**	Dogs	1,062	1,304	1,764	**4,130**
2,879	3,433	4,240	**10,552**	Major Crime Unit	2,960	3,533	4,366	**10,859**
346	437	621	**1,404**	Operational Planning & Public Order	298	376	535	**1,209**
426	537	764	**1,727**	Protective Services Command Team	399	504	716	**1,619**
100	126	180	**406**	Resilience	114	140	189	**443**
3,128	4,464	5,993	**13,585**	Roads Policing Unit	3,209	4,587	6,159	**13,955**
3,736	4,197	5,664	**13,597**	Scientific Services Unit	3,785	4,546	5,930	**14,261**
15,908	**18,308**	**23,743**	**57,959**	**Total Joint Protective Services**	**16,011**	**18,721**	**24,056**	**58,788**
				Operational Support				
18	22	29	**69**	Camera, Tickets, Collisions	-165	-207	-274	**-646**
347	228	622	**1,197**	Criminal Justice & Custody Management Team	217	143	395	**755**
490	619	980	**2,089**	Criminal Justice	482	609	866	**1,957**
216	417	340	**973**	Firearms & Explosives Licensing	578	1,084	1,253	**2,915**
8,479	10,333	14,548	**33,360**	ICT	8,591	10,673	15,014	**34,278**
424	535	761	**1,720**	Joint Strategy & Transformation	192	240	342	**774**
9,974	**12,154**	**17,280**	**39,408**	**Total Operational Support Expenditure**	**9,895**	**12,542**	**17,596**	**40,033**

Beds 2024/25 £'000 (* Restated)	Cambs 2024/25 £'000 (* Restated)	Herts 2024/25 £'000 (* Restated)	Total 2024/25 £'000 (* Restated)		Beds 2025/26 £'000	Cambs 2025/26 £'000	Herts 2025/26 £'000	Total 2025/26 £'000
				Organisational Support				
64	81	116	**261**	Corporate Communications	110	138	196	**444**
5,039	6,445	8,859	**20,343**	HR / L&D	5,255	6,564	9,044	**20,863**
1,066	1,344	1,910	**4,320**	Information Management Department	1,117	1,412	2,005	**4,534**
2,193	2,248	3,258	**7,699**	Professional Standards Unit	2,342	2,313	3,463	**8,118**
91	115	164	**370**	Uniform Stores Team	99	125	178	**402**
36	46	64	**146**	Finance	29	37	53	**119**
153	192	273	**618**	BCH Payroll	173	218	311	**702**
57	73	103	**233**	CARM	61	77	109	**247**
4	6	7	**17**	Police Transformation Fund	4	5	7	**16**
-	-	-	**-**	Assistant Chief Constable	16	21	30	**67**
8,703	**10,550**	**14,754**	**34,007**	**Total Organisational Support Expenditure**	**9,206**	**10,910**	**15,396**	**35,512**
34,585	**41,012**	**55,777**	**131,374**	**Total BCH Net Operating Costs**	**35,112**	**42,173**	**57,048**	**134,333**
-	-	-	**-**	Regional Procurement *	-	-	-	**-**
-	-	-	**-**	Pension Dep	-	-	-	**-**
34,585	**41,012**	**55,777**	**131,374**	**Total Net Operating Costs***	**35,112**	**42,173**	**57,048**	**134,333**

* 2024/25 figures for Regional Procurement have been removed as part of the 2025/26 accounts as this is part of 7 Forces, not BCH.

Eastern Region Special Operations Unit (ERSOU)

The Eastern Region Special Operations Unit (ERSOU) was established in 2010/11 and is a joint unit consisting of the seven eastern region police forces: Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk. The unit provides a single serious and organised crime unit as well as Counter Terrorism capability across the region.

Bedfordshire Police have lead force responsibility for ERSOU. Police Officers from each member force are seconded to the unit broadly in line with funding shares. Legal title to all vehicles, equipment and premises owned and used by the unit transferred sit with Bedfordshire and the assets are recorded in its capital accounts and asset register.

All revenue costs and capital expenditure are shared between the six forces in accordance with the percentages defined in the Section 22 agreement. All capital expenditure is fully funded in the year of expenditure and there is therefore no capital financing charge to the six participating forces.

ERSOU is a joint operation with no separate entity and is therefore not able to hold reserves in respect of any cumulative surplus or deficit at year end. Each participating Local Policing Body shows its share of the carried forward surplus in its accounts. The ERSOU operating account is shown in the following table. The expenditure figures do not include depreciation charges.

The Home Office grants were paid to Bedfordshire as agent for the participating forces.

ERSOU Income and Expenditure Statement 2025/26

	2024/25 £'000	2025/26 £'000
Operating costs	37,667	38,668
Specific HO grant	-9,743	-13,449
Net expenditure	**27,924**	**25,219**
Contributions		
Bedfordshire	-2,911	-2,623
Cambridgeshire	-3,672	-3,318
Essex	-4,185	-3,362
Hertfordshire	-5,218	-4,715
Kent	-4,632	-4,547
Norfolk	-4,125	-3,753
Suffolk	-3,181	-2,901
Total Contributions	**-27,924**	**-25,219**
(Surplus) / Deficit for the year	**0**	**0**

The capital assets for ERSOU are analysed as follows:

	2024/25 £'000	2025/26 £'000
Net book value brought forward 1 April	**3,943**	**3,386**
Expenditure for the year:		
- Vehicles	477	337
- Land and Buildings	-	-
- Equipment	-	-
Depreciation for the year	-1,034	-815
Net book value carried forward 31 March	**3,386**	**2,907**

Hertfordshire's share of the total Net Book Value of ERSOU capital assets as at 31 March 2026 was £0.621m (£0.711m as at 31 March 2025). Two properties are jointly owned by the 7 forces and are held on individual forces' balance sheets. Hertfordshire share of these properties as at 31 March 2026 was £1.434m.

The capital expenditure for 2025/26 was funded in accordance with the formulae agreed by the forces. Details are shown in the following table:

	2024/25 £'000	2025/26 £'000
Bedfordshire	-55	-44
Cambridgeshire	-69	-56
Essex	-60	-22
Hertfordshire	-98	-80
Kent	-57	-22
Norfolk	-78	-64
Suffolk	-60	-49
Grant Funding	-	-
Total	**-477**	**-337**

Note 20 - Contingent Liabilities.

As at 31 March 2026, the Chief Constable was aware of the following contingent liability. This item has not been reflected in the accounts as there is no certainty that an actual liability may arise, or because there is uncertainty as to the amount of liability or when it will arise.

Motorway Speed Enforcement (Operation Cabin)
The Department for Transport (DfT) has confirmed that National Highways is responsible for funding financial redress arising from erroneous speed enforcement linked to certain managed motorway cameras enforced on their behalf by Hertfordshire Constabulary. While police forces are involved in supporting the administration of the redress scheme, no liability resulting from this redress is expected to fall to the Police Force or the Police and Crime Commissioner. At the date of approval of these financial statements, the redress scheme has not yet been fully implemented, and the final scope remains subject to further approvals. Accordingly, no provision has been recognised in these accounts, but this matter is disclosed as a contingent liability.

Note 21 - Defined Benefit Pension Schemes

Participation in Pension Schemes

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

The Chief Constable participates in four pension schemes:

- The Local Government Pension Scheme for police staff. Administrated by Hertfordshire County Council - this is a funded defined benefit final salary scheme, meaning that the Chief Constable and its employees, pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets

- The Police Pension Scheme 1987, the Police Pension Scheme 2006 and the Police Pension Scheme 2015 for police officers - these are unfunded defined benefit final salary schemes administrated by the Chief Constable. Unfunded means that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amount payable by the pension fund for the year is less than the amount receivable, the PCC must annually transfer an amount required to meet the deficit to the pension fund. 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 Chief Constable and must be repaid to central government.

Transactions Relating to Post-Employment Benefits

The Chief Constable recognises the cost of retirement benefits in the reported cost of services in the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Chief Constable is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the Police Fund within the PCC's accounts via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

	LGPS		**Police Pension Scheme**	
	2024/25 £'000	**2025/26 £'000**	**2024/25 £'000**	**2025/26 £'000**
Cost of Service included in CIES Service				
Current Service Cost	10,209	7,519	15,560	10,070
Past Service Cost / Settlements and Curtailments	40	1,365	-	-
Financing and Investing Income & Expenditure				
Net interest expense	-3,909	-7,781	73,750	78,990
Total Group Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Service	**6,340**	**1,103**	**89,310**	**89,060**
Re-measurement of the net defined benefit liability comprising:				
Return on plan assets (excluding amount included in net interest expense)	10,075	-5,298	-	-
Actuarial gains and Losses				
• Demographic Assumptions	-6,498	7,193	-2,430	-
• Financial Assumptions *	-59,123	-13,567	-191,780	-47,610
• Other (Liabilities) *	-2,038	9,497	300	-36,410
• Other (Assets) - Effect of Asset Ceiling	59,039	-166	-	-
Total Group Post Employment Benefit Charged to the CIES	**7,795**	**-1,238**	**-104,600**	**5,040**
Movement in Reserves Statement:				
Reversal of the net charges made to the Surplus or Deficit for the provision of services for post-employment benefits in accordance with the code	-6,340	-1,103	-89,310	-89,060
Actual Amount Charged Against the General Fund Balance for Pensions During the Year:				
Employer's Contributions Payable to the Schemes	10,851	15,892	47,600	46,590

CLAIMS ARISING FROM THE TRANSITIONAL PROVISIONS IN THE POLICE PENSION REGULATIONS 2015

The Chief Constable of Hertfordshire, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in Oct 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the Government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants would be treated in the same way.

On 16 July 2020, HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes were discriminatory (rather it was the transitional provisions), the legacy schemes will be removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be formally measured through the pension valuation process, which determines employer and employee contribution rates, although an estimated impact has been included in the IAS19 valuations for 2025/26, and was included in the LGPS valuation carried out as at 31 March 2025, and the Police Pension Scheme valuation as at 31 March 2020.

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

Compensation Claims

Claimants have lodged claims for compensation. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. A provision for these cases has been included from the 2022/23 accounts onwards.

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Commissioners obligation in respect of its defined benefit plans is as follows:

	2024/25 £'000	2025/26 £'000
Present Value of Defined Benefit Obligations		
LGPS	-293,143	-312,728
Police Pension Scheme	-1,416,130	-1,374,570
Total Chief Constable Liabilities	**-1,709,273**	**-1,687,298**
Fair value of plan assets		
LGPS	416,369	442,966
Total Chief Constable Assets	**416,369**	**442,966**
Net liability arising from defined benefit obligation (including impact of Asset Ceiling):		
LGPS	-	-
Police Pension Scheme	-1,416,130	-1,374,570
Total Chief Constable Net Liability	**-1,416,130**	**-1,374,570**

The net liabilities show the underlying commitments that the Chief Constable has in the long run to pay retirement benefits. The total liability of £1.375bn (£1.416bn as at 31 March 2025) has a substantial impact on the net worth of the Chief Constable as recorded in the Balance Sheet, resulting in a negative overall balance of £1.383bn as at 31 March 2026 (£1.425bn as at 31 March 2025).

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

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
- Finance is only required to be raised to cover police pensions when the pensions are actually paid. Following the introduction on the 1 April 2006 of the new scheme of finance for police officer pensions, the Chief Constables' liability is in general limited to an equivalent contribution rate currently set at 35.3% of pensionable pay with the government meeting additional costs above this level.

The contribution expected to be made to the Local Government Scheme in 2026/27 is £9,927m. The expected contribution to the police pension schemes in 2026/27 is £36.974m.

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

	LGPS	
	2024/25 £'000	2025/26 £'000
Fair value of scheme assets at 1 April	**401,952**	**416,369**
Interest Income	20,453	24,448
Re-measurement gain/(loss):		
Return of plan assets excluding amount included in net interest expense	-10,075	5,298
Re-measurement gain(loss) - other	-	-
Employer Contributions	10,851	15,892
Contribution by employees in the scheme	4,141	4,238
Benefits paid	-11,070	-13,327
Actuarial (Gains) / Losses - Other (Asset)	-	-9,921
Settlement prices received / (Paid)	117	-
Administration Expenses	-	-31
Fair value of scheme assets at 31 March	**416,369**	**442,966**

Reconciliation of Present Value of the Scheme Liabilities' (Defined Benefit Obligation)

	LGPS		Police Pension Scheme	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Chief Constable Opening Balance at 1 April	**-340,856**	**-293,143**	**-1,568,330**	**-1,416,130**
Historic Adjustment	-	-	-	10
Adjusted Balance at 1 April	**-340,856**	**-293,143**	**-1,568,330**	**-1,416,120**
Current service cost	-10,209	-7,519	-15,560	-10,070
Interest cost	-16,544	-16,667	-73,750	-78,990
Contribution from scheme participants	-4,141	-4,238	-13,210	-13,770
Re-measurement of the net defined benefit liability comprising:				
Actuarial gains / (loss) Demographic Assumptions	6,498	-7,193	2,430	-
Actuarial gains / (loss) Financial Assumptions	59,123	13,567	191,780	47,610
Actuarial gains / (loss) Other	2,038	-9,497	-300	36,410
Past Service Cost / Settlements and Curtailments	-40	-1,365	-	-
Benefits paid / Transfers	11,070	13,327	60,810	60,360
Liabilities assumed / (extinguished) on settlements	-82	-	-	-
Chief Constable Liability at 31 March	**-293,143**	**-312,728**	**-1,416,130**	**-1,374,570**

Reconciliation of Asset Ceiling

LGPS	2024/25 £'000	2025/26 £'000
Opening Balance of Asset Ceiling at 1 April	**61,096**	**123,226**
Interest on impact of asset ceiling	3,091	7,178
Actuarial losses / (gains) written out due to Asset Ceiling *	59,039	-166
Closing Balance of Asset Ceiling at 31 March	**123,226**	**130,238**

* Actuarial losses/(gains) written out due to Asset Ceiling have been restated for 2024/25 to reflect the final 2024/25 IAS19 actuarial report in line with the rest of the Pensions note.

Fair Value of Employers Assets – LGPS Only

The Police Pension Schemes have no assets to cover their liabilities. Following the change of Actuary for the Local Government Pension Scheme to Barnett Waddingham, the asset breakdown provided has changed format. The following tables provide a breakdown of the assets held on behalf of the Chief Constable for Hertfordshire as at 31 March 2025 and 31 March 2026, along with the split as at 28 February 2026 between those held with quoted prices in active markets, and those with unquoted prices. The figures below have not been adjusted to take account of the effect of the asset ceiling:

Asset Breakdown	31 March 2025 £'m	31 March 2025 %	31 March 2026 £'m	31 March 2026 %
LGPS				
Equities	245,058	58.86%	288,505	65.13%
Bonds	96,508	23.18%	82,328	18.59%
Property	63,968	15.36%	59,888	13.52%
Cash	10,835	2.60%	12,245	2.76%
Total	**416,369**	**100%**	**442,966**	**100%**

Asset Breakdown	**Quoted Prices in active markets 28 February 2026**	**Unquoted prices 28 February 2026**
LGPS		
Fixed Interest Government Securities - UK	2%	-
Fixed Interest Government Securities - Overseas	1%	-
Index Linked Government Securities - UK	8%	-
Index Linked Government Securities - Overseas	-	-
Corporate Bonds - UK	2%	-
Corporate Bonds - Overseas	3%	-
Equities - UK	1%	-
Equities - Overseas	29%	-
Property	-	12%
Hedge fund	-	-
Private Equity	-	5%
Infrastructure	-	8%
Unit trust	-	2%
Derivatives	18%	-
Insurance Linked Strategies	-	-
Private Credit	4%	-
Cash/Temporary Investments	-	1%
Net Current Assets - Debtors	-	1%
Net Current Assets - Creditors	3%	-
Total	**71%**	**29%**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis. For both Schemes the projected unit credit method has been used to estimate the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

For the Police Pension Schemes a full actuarial valuation is required every four years under the Public Service Pensions Act 2013. The Police Scheme has been assessed by the Government Actuary's Department. The most recent valuation was undertaken as at 31 March 2020. The appointed actuaries produce pension disclosures by rolling forward data for years between full valuations.

For the LGPS a full actuarial review is undertaken every three years, with the latest valuation being as at 31 March 2025 by Barnett Waddingham, an independent firm of actuaries.

The value of scheme assets and liabilities are dependent upon financial market conditions as at 31 March.

The principal assumptions used by the actuaries have been:

	LGPS		Police Pension Schemes	
	2024/25	**2025/26**	**2024/25**	**2025/26**
Life Expectancy from age 65 (years):				
Retiring today:				
Men	21.2	22.8	21.9	22.0
Women	24.1	24.6	23.9	24.0
Retiring in 20 years:				
Men	21.9	24.3	23.3	23.4
Women	25.2	26.3	25.2	25.3
Rate of increase in salaries (%)	3.9	3.9	3.5	3.7
Rate of increase in pensions (%)	2.9	2.9	2.7	3.0
Rate for discounting scheme liabilities (%)	5.9	6.2	5.65	6.1

Sensitivity of the defined benefit obligation in the significant actuarial assumptions

	Approximate % increase to Employer Liability	Approximate monetary amount (£'m)
LGPS		
0.5% decrease in real discount rate	9.1%	28.461
1 year increase in member life expectancy	2.8%	8.616
0.5% increase in the Salary Increase Rate	0.5%	1.644
0.5% increase in the Pension Increase Rate	8.2%	25.693
Police Pension Schemes		
0.5% decrease in real discount rate	7.5%	102
1 year increase in member life expectancy	1.0%	33
0.5% increase in the Salary Increase Rate	7.5%	12
0.5% increase in the Pension Increase Rate	2.5%	101

Note 22 - Senior Officers' Remuneration

The remuneration paid to the PCC's senior police officers and employees is as follows:

2024/25	Salary (3)	Bonuses	Benefits in Kind (4)	Total exc. pension	Pension Contributions (5)	Total inc. pension
Post Holder Information (Job Title) (1) (2)	**£**	**£**	**£**	**£**	**£**	**£**
Chief Constable – C. Hall (6)	155,995	-	5,855	**161,850**	50,887	**212,737**
Chief Constable – A. Prophet (6)	45,667	-	1,209	**46,876**	15,856	**62,732**
Deputy Chief Constable 1 (7)	296,007	-	6,737	**302,744**	-	**302,744**
Deputy Chief Constable 2 (8)	139,014	-	8,485	**147,499**	48,013	**195,512**
Director of Resources	143,992	-	6,813	**150,805**	23,632	**174,437**
Assistant Chief Constable (Local Policing)	136,329	-	1,348	**137,677**	47,402	**185,079**
Temp Assistant Chief Constable (Operational Support) (9)	28,971	-	-	**28,971**	9,961	**38,932**
Assistant Chief Officer	142,988	-	5,522	**148,510**	23,373	**171,883**
Total	**1,088,963**	**-**	**35,969**	**1,124,932**	**219,124**	**1,344,056**

2025/26	Salary (3)	Bonuses	Benefits in Kind (4)	Total exc. pension	Pension Contributions (5)	Total inc. pension
Post Holder Information (Job Title) (1) (2)	**£**	**£**	**£**	**£**	**£**	**£**
Chief Constable – A. Prophet	190,023	-	4,325	**194,348**	65,442	**259,790**
Deputy Chief Constable (8)	8,832	-	9,092	**17,924**	3,056	**20,980**
Deputy Chief Constable (10)	136,031	-	4,067	**140,099**	47,100	**187,198**
Director of Resources	149,951	-	1,966	**151,917**	24,462	**176,379**
Assistant Chief Constable (Public Contact & Local Policing)	141,988	-	-	**141,988**	49,340	**191,327**
Temp Assistant Chief Constable (Operational Support) (9)	21,488	-	-	**21,488**	7,207	**28,695**
Assistant Chief Constable (Crime & Protection) (11)	116,922	-	1,260	**118,182**	39,673	**157,855**

2025/26	Salary (3)	Bonuses	Benefits in Kind (4)	Total exc. pension	Pension Contributions (5)	Total inc. pension
Post Holder Information (Job Title) (1) (2)	**£**	**£**	**£**	**£**	**£**	**£**
Assistant Chief Officer (BCH role) (12)	58,912		2,376	**61,288**	-	**61,288**
Director of ICT	137,798	-	6,212	**144,011**	22,335	**166,346**
Assistant Chief Officer (13)	72,963	-	-	**72,963**	11,879	**84,842**
Total	**1,034,909**	**-**	**29,298**	**1,064,207**	**270,492**	**1,334,699**

1. For individuals changing roles, role titles used are those as at the end of the financial year. Final role title is used for individuals no longer employed.
2. Senior Employees with salary over £150k have been named as required by the CIPFA Code of Practice.
3. Salary includes Fees, Allowances & Salary Sacrifice.
4. The benefit in kind value reflects the use of a petrol or diesel car.
5. Employer Police Pension contributions for 2024/25 were 31.0%. The new employer contribution rate of 35.3% took effect from 1 April 2025. The Pension contribution rate for Constabulary and PCC Senior Staff is 17.5% and 20.7% respectively.
6. C. Hall left the role of Chief Constable on 31 December 2024. A. Prophet commenced the role of Chief Constable on 1 January 2025.
7. Deputy Chief Constable 1 left 10 January 2025. Ex gratia payments of £146k have been include in salary.
8. Deputy Chief Constable 2 temporarily commenced this role from 11 January 2025. They previously held the role of Assistant Chief Constable (Operational Support). From 21 April 2025, they left the position and were seconded to another organisation.
9. Temp Assistant Chief Constable (Operational Support) commenced the role 12 January 2025 and left the position on 1 June 2025.
10. Deputy Chief Constable commenced this role from 19 May 2025.
11. Assistant Chief Constable commenced this role on 2 June 2025.
12. Assistant Chief Constable is a Cambridgeshire Constabulary employee working within the tri-force, and figures stated represent Herts' share. In 2024/25, their remuneration was included as part of the Cambridgeshire Senior Officer remuneration statement.
13. Assistant Chief Officer left the position on 30th September 2025 and was seconded to another organisation.

Note 23 - Officers' Emoluments

The Accounts and Audit Regulations 2015, as amended by regulations, require the Chief Constable to disclose the numbers of senior police officers and police staff whose remuneration, excluding pension contributions was £50,000 or more in the relevant financial year. The Chief Constable has extended this disclosure to include all police officers whose remuneration was greater than £50,000. Individuals whose remuneration is disclosed separately in note 22 above are not included within the table.

Remuneration Band	2024/25	2025/26
£180,000 - £184,999	-	1***
£145,000 - £149,999	-	1
£125,000 - £129,999	-	1
£120,000 - £124,999	-	1
£115,000 - £119,999	-	2
£110,000 - £114,999	2**	1**
£105,000 - £109,999	2	5*
£100,000 - £104,999	7*	6**
£95,000 - £99,999	2	7**
£90,000 - £94,999	4	7
£85,000 - £89,999	11	9*
£80,000 - £84,999	9	13*
£75,000 - £79,999	23	48*
£70,000 - £74,999	74	128*/**
£65,000 - £69,999	184	155*/**
£60,000 - £64,999	221	325*/**
£55,000 - £59,999	452	486*/**
£50,000 - £54,999	499*	467*/**
Total	**1,490**	**1,663**

* Includes redundancy payments
** Includes secondments to National Body
*** Includes severance payments

Note 24 - External Audit Costs

In 2025/26 the Chief Constable incurred the following fees, payable to the appointed external auditors KPMG LLP under the Local Audit and Accountability Act 2014, relating to external audit and inspection.

	2024/25 £'000	2025/26 £'000
Chief Constable	54	72
Total (Chief Constable)	**54**	**72**

Note 25 - Related Parties

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

Police and Crime Commissioner
The PCC has direct control over the Chief Constable’s finances and is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the PCC, to deliver the aims and objectives set out in the Police and Crime Plan. Section 28 of the Police Reform and Social Responsibility Act 2011 requires that the local authorities covered by the police area must establish a Police and Crime Panel (PCP) for that area. The PCP scrutinises the decisions of the PCC, reviews the Police and Crime Plan and has a right of veto over the precept.

Central Government
The UK government has effective control over the general operations of the PCC and therefore the Chief Constable – it is responsible for providing the statutory framework within which the PCC operates and provides the majority of its funding in the form of specific or non-specific grants.

Chief Constable’s Executive Team (including their close family)
A review to determine related party transactions involving the Chief Constable’s Executive Team identified the following:

A member of the Executive Team is Chair of the Open University Centre for Policing Research & Learning, a consortium of approximately 20 police forces working with the Open University. In this role, the officer may influence the decision for Hertfordshire Constabulary to engage with the Open University. The Constabulary paid £21k to the Open University during 2025/26 with a £4k balance outstanding as at 31 March 2026.

All other members of the group declared that they had no related party transactions to disclose.

Other Public Bodies
Other public bodies are deemed to be a related party where they receive funding from Central Government, who have control over the general operations of the PCC. Transactions with the County Council, district and borough councils of Hertfordshire and other public bodies have been disclosed within the Income and Expenditure Account, Cash Flow Statement and notes to the accounts (grants are disclosed within note 17, joint arrangements are outlined in note 19).

Note 26 - Termination Benefits

The Chief Constable terminated the contracts of a number of employees in 2025/26 incurring liabilities of £3.017m (£0.040m in 2024/25). See note 27 for the number of exit packages and total costs per band. Payments to Directors or equivalent in the form of compensation for loss of office or for enhanced pension benefits are outlined in Note 22 – Senior Officer Remunerations, and all costs relate to police staff who were made redundant in a number of cost centres as part of the Chief Constable's savings plan and financial strategy.

Note 27 - Exit Packages

Redundancies in 2024/25 were all compulsory redundancies, whereas 2025/26 were a combination of compulsory and voluntary redundancies. The numbers of exit packages and total costs of the compulsory redundancies including pension strain costs paid to the Local Government Pension Scheme are set out in the table below.

Where an exit package was paid as part of the implementation of a BCH change programme, costs were pooled and shared between the three forces. As a result, the total costs of exit package set-out in the below table include all staff which Hertfordshire have contributed towards irrespective of the employing force.

Total Exit package cost band including special payments *	Total number of exit packages		Herts Share of cost of exit packages		Total cost of exit packages	
	2024/25	2025/26	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
£0 - £20,000	4	31	12	266	28	310
£20,001 - £40,000	2	28	28	721	62	814
£40,001 - £60,000	-	11	-	409	-	580
£60,001 - £80,000	-	8	-	357	-	553
£80,001 - £100,000	-	4	-	362	-	362
£100,001 - £150,000	-	5	-	397	-	627
£150,001 - £200,000	-	1	-	85	-	192
£200,001 - £250,000	-	3	-	410	-	651
£250,001 - £300,000	-	1	-	128	-	289
Total	**6**	**92**	**40**	**3,135**	**90**	**4,378**

* If an individual was made redundant from a collaborated unit, their costs have been included in the banding based on their Total cost, however Hertfordshire Constabulary contributes to these costs in line with their apportionment ratio.

Note 28 – Non adjusting Balance Sheet Event

The specialist training facility at Monks Wood required for the BCH Operational Support Unit (OSU) was a feature of the capital programme in recent years. Whilst work continued to progress throughout 2024/25 to achieve a final design and contracted price the project was ceased early in the 2025/26 financial year (following decisions at JCOB 21/05/25 and SAS 22/05/25) due to the tightening financial climate with the impact being that the estimated cost of the scheme had become unaffordable. The Constabulary is currently considering its position on other refurbishment options for the existing use and other training options.

A total of £1.7m expenditure was incurred on the project to 31 March 2025 including planning, preparation, surveys, and design costs which is shown in the PPE assets under construction/work in progress balance within the PCC for Cambridgeshire's Accounts. Additional costs accrued in 2025/26 whilst the project closed and contractors stood down.

The business case for this capital project was agreed on the basis that Cambridgeshire would continue to own the property with a licence arrangement being provided to Bedfordshire Police and Hertfordshire Constabulary for use of the newly created asset. Bedfordshire Police and Hertfordshire Constabulary have provided assurance to underwrite their share of the overall project costs incurred by Cambridgeshire Constabulary to date should the project not complete. Hertfordshire's share of the amount is £1.1m.

This was declared as a non-adjusting balance sheet event in the 2024/25 accounts, but as the costs were reported through revenue in 2025/26, it is no longer a non-adjusting balance sheet event as at 31 March 2026.

Police Pension Scheme Fund Accounts 2025/26

FUND ACCOUNT

	Note	Police Pension Scheme 1987		Police Pension Scheme 2006		Police Pension Scheme 2015		Total All Schemes	
		2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Contributions receivable									
From employer									
- normal 35.3%	P3	-	-	-	-	-34,467	-36,060	**-34,467**	**-36,060**
- early retirements	P3	-	-	-	-	-513	-1,219	**-513**	**-1,219**
From members	P3	-241	-106	-3	-	-13,124	-13,729	**-13,368**	**-13,835**
Transfers in									
- individual transfers in from other schemes	P4	-	-	-	-	-86	-	**-86**	**-**
Benefits payable									
- pensions		50,395	52,119	203	274	456	595	**51,054**	**52,988**
- commutations and lump sum retirement benefits		7,438	8,954	238	372	580	866	**8,256**	**10,192**
- lump sum death benefits		353	-	-	-	-	152	**353**	**152**
Payments to and on account of leavers									
- refunds of contributions		-	-	-	-	318	123	**318**	**123**
- individual transfers out to other schemes	P4	69	-	-	-	51	23	**120**	**23**
Net amount receivable for the year before top-up grant		58,014	60,967	438	646	-46,785	-49,249	**11,667**	**12,364**
Transfer received from the Policing Body	P5	-58,014	-60,967	-438	-646	46,785	49,249	**-11,667**	**-12,364**
Balance as at 31 March		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

NET ASSETS STATEMENT

	31 March 2025 £'000	31 March 2026 £'000
April pension paid in advance in March	4,419	4,557
Total Assets	**4,419**	**4,557**
Commutation Payments Owing	-569	-638
Taxation Owing	-	-412
Amount Owing to Police Fund	-3,850	-3,507
Total Liabilities	**-4,419**	**-4,557**
Net Assets	**0**	**0**

Note P1 - Summary of the Police Pension Scheme Fund Operations

Employee contributions and employer's contributions are paid into the Police Pension Scheme Fund from which pension payments are made. The fund has no investments and is topped up by the PCC if the contributions are insufficient to meet the cost of pension payments. The PCC is then reimbursed by the Home Office. Any surplus in the fund is recouped by the PCC and paid to the Home Office. The underlying principle is that employer and employee contributions together will meet the full costs of pension liabilities being accrued in respect of currently serving employees while the Home Office will meet the costs of retirement pensions in payment, net of employee and the new employer contributions.

The financing of pension payments was taken out of the Formula Grant from April 2006 which instead takes into account the funding needed to support the cost of the employer contributions and lump sum payments, in respect of ill-health retirements.

Note P2 - Accounting Policies

The accounts have been prepared in accordance with the 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the CIPFA.

The accounts summarise the transactions and net assets of the Police Pension Scheme Fund. They do not, however, take account of liabilities to pay pensions and other benefits after 31 March 2026.

All amounts have been prepared on an accruals basis except pension transfers to and from the scheme.

Note P3 - Contributions Receivable

Employer and Employee Contributions

The purpose of the employee and employer contribution rates under the new arrangements is to meet the accruing pension liabilities of currently serving police officers. This means the PCC meets all the costs of employing police officers, including the cost of future pension liabilities, at the time of employing them.

Separate contribution rates, a percentage of pensionable pay as shown below, apply to the three Police Pension Schemes.

	Employer Defined %	Employee %
Police Pension Scheme 1987	35.3	14.25 - 15.05
Police Pension Scheme 2005	35.3	11.00 - 12.75
Police Pension Scheme 2015	35.3	12.44 - 13.78

Early Retirements

Early retirements due to ill-health from 1 April 2006 require the PCC to make a lump sum payment into the pension fund of twice the average pensionable pay in respect of all ill-health retirements.

Note P4 - Transfers to or from other schemes

Where a police officer transfers to or from another police force there is no need for a cash transfer. A police officer who transfers out of the Police Pension Scheme to another pension scheme is entitled to ask for a cash equivalent transfer value to be paid across, equivalent to the value of their pension rights on leaving the scheme. This is paid from the Police Pension Fund. Similarly, an inward Transfer Value should be paid into the fund.

Note P5 - Top-up Grant

Where employer and employee contributions paid into the Police Pension Scheme Fund are not sufficient to meet pension payments for that year, the deficit will be met by the PCC who is in turn reimbursed by a central government top-up grant paid by the Home Office. Any surplus in the fund would be paid back to the PCC who would then reimburse the Home Office as the party that brings the account into balance.

Note P6 - Liabilities after year end

The Fund's financial statements do not take account of the liabilities to pay pensions and other benefits after 31 March 2026. The details in respect of the PCC's long-term police pension obligations are set out in the pensions-related disclosure note 21 that follows the main financial statements.

Note P7 - Claims Arising from the Transitional Provisions in the Police Pension Regulations 2015

Claims of unlawful discrimination have been made in relation to the changes to the Judiciary and Firefighters Pension regulations and in December 2018 the Court of Appeal (McCloud/Sargeant) ruled that the 'transitional protection' offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination. On 27 June 2019, the Supreme Court refused leave to appeal on the McCloud case. In response to this, a written Ministerial Statement was made on 15 July 2019 stating that 'setting out that the matter would be determined by an Employment Tribunal in respect of the litigants in the firefighters and judicial pension schemes. It will be for the Tribunal to determine a remedy. And that alongside this process, government would be engaging with employer and member representatives, to help inform their proposals to the Tribunal and in respect of the other public service pension schemes.'

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates.

Chief Constable for Hertfordshire

Annual Governance Statement 2025/26

EXECUTIVE SUMMARY

Overview

The Chief Constable is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring that a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

The governance framework comprises of the systems and processes by which the Chief Constable and the Constabulary are directed and controlled and the activities through which they are accountable. It enables the PCC to monitor the achievements of the Chief Constable through the delivery of the Police and Crime Plan and to take account of the delivery of appropriate cost-effective services, including achieving value for money.

CIPFA published its “Delivering Good Governance in Local Government: Framework” followed by specific guidance notes for Policing Bodies. The framework contains seven principles, to which the Chief Constable is committed, are set out below:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
B. Ensuring openness and comprehensive stakeholder engagement.
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
F. Managing risks and performance through robust internal control and strong public financial management.
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Significant Governance Issues identified 2025/26

No significant governance issues have been identified in 2025/26.

Opinion on the Effectiveness of Governance

Based on the opinion of the Head of Internal Audit and our own ongoing work, we are satisfied that our arrangements for governance, risk management and control are adequate and effective.

Signatures of the Chief Constable and Director of Resources

Andy Mariner	Ian Rooney
Acting Chief Constable for Hertfordshire	Director of Resources

OUR ASSESSMENT OF EFFECTIVENESS

The Chief Constable has the responsibility for conducting, at least annually, a review of the effectiveness of the governance framework for his office, including the system of internal control. The review is published as the Annual Governance Statement alongside the Statement of Accounts. The review is informed by the following:

Annual Assurance Statements

Senior officers within the Constabulary have produced departmental assurance statements to support the review, and the Constabulary as a whole has produced an overall assurance statement.

Police and Crime Commissioner

Part of the Police and Crime Commissioner’s role is to hold the Chief Constable to account for the discharge of his functions and those of the officers and staff under his direction and control. The Commissioner holds a number of scheduled meetings with the Chief Constable each month, and a senior member of the Commissioner’s team also attends each monthly Constabulary Performance Day.

Joint Audit Committee

The JAC undertakes the core functions of an audit committee, in accordance with the guidance set out in the CIPFA publication ‘Audit Committees – Practical Guidance for Local Authorities and Police’, including:

- playing a pivotal role in the system of internal control through its oversight of audit arrangements.
- approval of the external audit plan and receives the annual audit letter from the external auditor.
- considers the annual Internal Audit plan.
- receiving regular Internal Audit reports and monitoring management performance against agreed action plans to address any weaknesses identified; and
- reviewing progress on risk management and related issues.

Internal Audit

Internal Audit provided an independent opinion on the adequacy and effectiveness of the Constabulary’s system of internal control, stating that the organisation has an adequate and effective framework for risk management, governance and internal control. However, their work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Internal Audit issued eight reports during 2025/26 for the OPCC and the Constabulary concluding that reasonable assurance could be taken in three reports, reasonable progress in two follow up reports, and partial assurance in three reports.

Internal Audit also undertook audits in relation to the BCH (Bedfordshire, Cambridgeshire and Hertfordshire) collaborated activity and issued one substantial assurance report and one partial assurance report. An additional draft partial assurance report was also issued. Two advisory reports were issued, with one in draft.

Management actions have been agreed to address all issues identified within the reports and both the partial and minimal assurance opinion reports will be followed up in 2026/27.

External Audit

KPMG LLP was appointed as the Constabulary's external auditor for 2024/25. In their 2024/25 reports[1], KPMG stated that it expects to issue a disclaimer of opinion on the financial statements because the statutory backstop timetable did not allow sufficient time to complete all audit work necessary to obtain sufficient appropriate evidence across a number of material areas.

KPMG's 2024/25 Value for Money work concluded that no significant weaknesses had been identified in arrangements for securing economy, efficiency and effectiveness. KPMG also reported that the 2024/25 accounts and Annual Governance Statement were published on 30 June 2025 in line with the statutory deadline, reflecting improved timeliness in the accounts preparation process.

KPMG nevertheless made a number of observations and recommendations to support further improvement. These included delays in the provision of information for both the financial statements audit and Value for Money work, and weaknesses in the quality of some supporting working papers and responses. KPMG recommended that sufficient capacity is maintained to support the audit process, that audit evidence is quality assured and provided within agreed timescales, and that further improvements are made to savings and efficiency planning, routine risk register oversight by the Resource Board, related party controls and journal review arrangements. These actions are intended to strengthen financial governance, internal control and audit readiness in future years.

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

HMICFRS is commissioned by the Home Secretary to undertake inspections of police forces and fire and rescue services.

PEEL (Police Effectiveness, Efficiency and Legitimacy) is HMICFRS's annual assessment of police forces in England and Wales. The HMICFRS PEEL assessment framework for 2025–2027 continues to evaluate police force effectiveness, efficiency, and legitimacy across England and Wales through a continuous, two-year inspection cycle. It focuses on graded judgments (outstanding to inadequate) based on core questions, evidence-based performance, and increased scrutiny on outcomes.

The latest PEEL inspection report was published in October 2024, with a 'good' assessment rating for preventing and deterring crime and antisocial behaviour. The report assessed four areas as 'requiring improvement'; these included: responding to the public, investigating crime, protecting vulnerable people, and leadership and force management. The Constabulary received an 'inadequate rating' for recording crime data; a Gold Group was established, overseen by the Deputy Chief Constable, charged

[1] **Auditor's Annual Report (AAR) and International Standard on Auditing (ISA) 260**

with addressing the areas of weakness highlighted in the PEEL report, with an emphasis on the recording of crime data. A reinspection by HMICFRS in April 2025 showed significant improvement with the cause of concern being closed but work continues to improve recording of sexual offences.

The next Inspection for the Force will take place in early 2027.

KEY GOVERNANCE ARRANGEMENTS

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

Professional Standards Department (PSD)

The Constabulary has a collaborated PSD (Professional Standards Department) with Bedfordshire Police and Cambridgeshire Constabulary. The team covers:

- Anti-Corruption;
- Public Complaints, Conduct and Crime Investigation;
- Business Management;
- Vetting;
- Analysis and PREVENT;
- Death or serious injury investigations.

The Head of PSD reports into BCH Deputy Chief Constable (DCC) Collaboration Board. Each of the three force DCCs attend and provide governance and direction as needed. Additionally to this the Head of PSD is held to account quarterly within PSD Strategic Scrutiny Board which has attendance from the Office of the PCCs for BCH, Senior BCH HR representatives, Workforce leads from forces and Independent Panel Members as appropriate who attend and partake in PSD tactical scrutiny panels and offer a view from the communities we serve. The Independent Office for Police Conduct (IOPC) Learning the Lessons reports, together with local Learning the Lessons reports are reviewed as part of the business of the PSD Strategic Scrutiny Board. The Head of PSD attends quarterly IOPC oversight meetings where any IOPC concerns, or promising practice are shared.

The PSD has an Annual Control Strategy that has been designed to consider demand from the perspective of professional standards, covering the three areas: strategic priorities; intelligence requirements; educational priorities.

Members of the PCC's office review a sample of case files covering conduct and public complaints on a monthly basis and dip sample files that relate to topical issues to ensure that these are being dealt with in an acceptable way and that any lessons learnt are taken forward by the Constabulary. Any concerns that are identified are raised with Chief Officers and / or Senior Leaders of the PSD.

Complaints

Complaints from members of the public can be made electronically via either the Constabulary's or the PCC's website by completing an online form, by email or by telephone.

The OPCC established an enhanced complaints procedure managed by the Complaints and Public Contact Team (CPCT). This includes a Constabulary online complaint form that is directed immediately to CPCT for them to register, triage, process and resolve where applicable.

If the content of the complaint raised is suitable for a local line manager to deal with and give a reasonable and proportionate response to the complainant, then the local complaint process is engaged and followed. Should the member of the public not be satisfied with the immediate response, they have the right to request that their complaint be formally recorded and progressed.

The PCC's office will review the complaint at the request of the member of the public after the conclusion of their review. They will ascertain if the complaint has been dealt with properly and whether a reasonable and proportionate response has been given by the Constabulary and identify where there is learning that should be considered by the Constabulary to improve the service for the public.

Ethics and Equality

Within the collaborative governance structure with Bedfordshire Police and Cambridgeshire Constabulary (BCH), there is a Diversity, Equality & Inclusion Group (DEIG) with the purpose to provide strategic vision and coordination to ensure BCH supports the NPCC (National Police Chiefs' Council) Policing Vision 2025 that states: by 2025 policing will be a profession with a more representative workforce that will align the right skills, powers and experiences to meet challenging requirements. The purpose is also to create a culture that values difference and diversity, attract and retain a workforce that will better 'reflect its communities' and continuing work to build a culture which values difference.

A new national Code of Ethics (opens in a new window) was launched in January 2024 and was issued to reflect the challenges of modern-day policing whilst outlining the professional behaviours that the public can expect from officers, staff and volunteers.

The nine principles from the 2014 Code of Ethics are mapped into three principles that are easier to remember and apply.

These principles are:

- Public service
- Courage
- Respect and empathy

These principles, which are also the first three Team Herts values, are supported by guidance that sets out what ethical and professional behaviour looks like on a day-to-day basis.

The Code of Ethics will guide officers, police staff and volunteers through the decision-making process, by encouraging the use of personal responsibility and professional judgment. It also encourages colleagues to reflect on and learn from past experiences, continuing to improve, review and apply new knowledge.

The constabulary is clear on its commitment to embedding the Code of Ethics across the organisation. Ethical policing issues are discussed during the monthly People, Culture & Ethics Working Group led by the force's ethics lead, and these are fed back to the wider organisation to influence decision making about policy and procedure.

We delve deeper into what each ethical policing principle means for Team Herts and showcase those who display those values in our monthly features.

Financial Regulations

A BCH Scheme of Governance and Financial Regulations are in place which were jointly agreed with Bedfordshire and Cambridgeshire and last reviewed in February 2025. In addition, Hertfordshire Officers and Staff must operate within the Chief Constables Scheme of Financial Delegation which is reviewed annually and issued alongside budgets for the upcoming financial year.

Legal Services

The Constabulary has an established Legal Services Department that provides a comprehensive legal advice service to officers and staff within the Constabulary. It has processes in place to identify and review changes in legislation and act appropriately to action these.

Business Interests

Hertfordshire Constabulary allows officers and staff to pursue legitimate Business Interests (including additional occupations and voluntary work) where compatible with their duties as a member of the Constabulary. All officers and staff have a duty to declare a Business Interest. A failure to do so could result in disciplinary action.

B Ensuring openness and comprehensive stakeholder engagement

Communications Strategy

Corporate Communication provides 24/7 reactive and proactive external and internal communications cover for the force.
The media desk:

- Responds to queries from local and national media
- Co-ordinates communications around critical/serious incidents
- Issues media and social media appeals about crimes, and wanted or missing people
- Provide media support to the families of victims, missing persons, RTC deaths.

The internal communication team works across the organisation to ensure colleagues are kept up to date with force changes, initiatives and good news. Digital communications and social media specialists run the corporate social media accounts, support local policing teams' accounts and develop and maintain the force's intranet and website.

Feedback mechanisms

Experience Management – Qualtrics

The Constabulary uses a customer (member of the public) experience management system called Qualtrics. This platform enables the Constabulary to collect feedback and capture the voice of victims and the wider community, via text messaging in response to calls and surveys on the quality of service. Call handlers can see the responses to the service that they are providing as the responses are received.

Qualtrics allows members of the public to voice their opinions about policing in their local area, in their own words and in their own time. They do not need to sign up or give any personal information, and the feedback is completely anonymous. Comments are sent to the local Neighbourhood Policing Team officers, who will review them and use them to help build patrol plans, events, set neighbourhood priorities, and local activity.

Qualtrics can also be used to target surveys on specific issues and crimes. A good example of this is to connect with residents to understand what local priorities they feel the police should be focusing on. More recently Qualtrics has been developed to understand satisfaction levels of crime and anti-social behaviour incidents. The information is then sent directly to Team leaders so individual, or pockets of dissatisfaction can be addressed.

Qualtrics can also use AI for sophisticated sentiment analysis of themes. All this feedback can then be designed into interactive reports and dashboard, which are shared with the wider organisation to drive reflection, review and improvement, as well as to highlight positive feedback and best practice.

Anti-social Behaviour and Neighbourhood Policing – Herts Connected

Herts Connected is a free interactive messaging service run by the Constabulary. Members of the public can sign up and choose which parts of policing to receive messages from – including the Police and Crime Commissioner, Neighbourhood Watch and Report Fraud. It is designed to make messages bespoke and not just related to a postcode. As well as collecting feedback, Herts Connected enables the Constabulary to raise the profile of events, such as “Police Beat” surgeries, “Coffee with a Cop” sessions and the ability to contact your local Neighbourhood Policing Team.

Additional Feedback Mechanisms

In addition to Qualtrics, the Constabulary uses social media, such as X, Facebook, TikTok and Instagram, in part to reach the younger population. These channels are used for recruitment initiatives, crime prevention advice and operational policing.

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

Corporate Plan

The Constabulary is held to account by the OPCC and is responsible for delivering the Commissioner’s Police & Crime Plan 2025-29 “Fighting Crime, Making Hertfordshire

Safer" as well as ensuring we can meet the Strategic Policing Requirements (SPR) like all forces nationally.

The Constabulary's own force plan for 2025/26 was launched in April 2025 under new leadership and defined at a high level the Vision, Mission and Values of the organisation.

The Constabulary works with the OPCC to produce a Medium-Term Financial Plan (MTFP), aligned to the Police and Crime Commissioners Community Safety and Criminal Justice Plan, approved by the Resources Board and presented to Police and Crime Panel for 2025/26 onwards in February 2025.

Financial Planning

Financial planning has been a Constabulary strength for many years. Substantial budgetary savings have been delivered whilst simultaneously maintaining an annual budget that has not required severe resource reductions. From 2020/21 onwards, the reliance on reserves to support base budget expenditure was removed thus increasing financial resilience.

Sustainability Charter

By signing the Emergency Services Environmental and Sustainability Group Charter, the Chief Constable has agreed to embed sustainability considerations throughout the organisation, and measure and monitor progress. Members work towards a set of common goals to achieve national and international sustainability objectives. In 2022/23, the Constabulary Sustainability Focus Group was established, which works to develop individual sustainability plans.

Estates and Facilities (E&F) are key in supporting the future in managing a sustainable estate with regards various areas that include energy management, associated supplier contracts and routes to support decarbonisation of our estate.

As part of our management of sustainable practice, we have embedded a charter which sets our key high-level goals.

In March 2022, the then Chief Constable and the then Police and Crime Commissioner for Hertfordshire signed the ESESG (Emergency Services Environment and Sustainability Group) Charter. The ESESG includes members from UK police forces, fire brigades, ambulance services and other emergency services who meet to share best practice and discuss emerging technologies, government policy and legislative requirements.

To manage delivery of the charter's goals, we established a Sustainability Focus Group chaired by Estates and Facilities and made up of a broad selection of departments across Hertfordshire, including 7F Commercial Services, HR, Finance, ICT and Fleet.

The group regularly calls upon the support of expert consultants and discusses Sustainability Action Plans produced by stakeholders to address key sustainable goals within defined business areas, coupled with an informal platform for general discussion.

D Determining the interventions necessary to optimise the achievement of the intended outcomes

Financial Plan

A Medium-Term Financial Plan is in place. In February 2025 the Police and Crime Panel received the plan covering the period to 2028/29. The financial plan supports the achievement of the objectives within the Police and Crime Plan and the Operational Policing Plan.

The Constabulary monitors financial and operational performance through the governance structure with a clear distinction of responsibilities at operational and strategic levels such as the Strategic Performance Board, Tasking and Coordination processes and tracking of risks. There is onward reporting to the PCC's Resources Board where the PCC holds the Constabulary to account for performance.

Collaboration

Collaboration with Bedfordshire and Cambridgeshire (BCH) is vital in delivering key services to all three forces and the public. Collaborated functions include Administration of Justice, Firearms & Explosives Licencing, Camera, Tickets & Collision, ICT, HR, Information Management, Joint Protective Services, Professional Standards Department, Uniform Stores, and 7F Commercial Services.

Collaborated services are provided through a host force model with daily line management via a single structure and decisions with regards to service delivery being made collaboratively at DCC level. By sharing resources across each force, the collaboration is able to drive economies of scale and make best use of available resources across the partners. The supporting structure allows each Chief Constable and PCC to have oversight and fulfil their responsibilities through:

- Strategic Alliance Summit meetings which are responsible for setting the strategic direction and enables oversight and holding to account by the Commissioners.
- Joint Chief Officers Board (JCOB) has operational strategic oversight focusing on the accountability for the effective governance for the collaborative arrangements, performance, and risk.
- Deputy Chief Constable's Performance Days are a monthly meeting with an escalation route into JCOB ensuring the effective delivery of collaborated services, with decision-making capability.
- Assistant Chief Officer and Director-led functional boards ensure the effective and efficient delivery of the services within their remit.

Efficiency and Effectiveness

The Constabulary routinely assesses its strengths, weaknesses, opportunities and threats in the context of its operating environment (PESTELO/Horizon Scanning), alongside the expectations placed upon it by the wider community, the Home Office (including Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and the Strategic Policing Requirement), the Police and Crime Commissioners Crime and Policing Plan 2025-2029, partners and other agencies.

This activity both informs and helps update the Constabulary's approach to its accountability meetings and the Force Management Statement (FMS), which is an annual statement designed to ensure the highest practicable levels of efficiency and effectiveness and a level of accountability to HMICFRS. Furthermore, the FMS details the Chief Constable's plans for improving the efficiency and effectiveness of the Constabulary in the period covered by the statement.

Significantly, this activity, along with work by a dedicated Force Review Team, supported a major restructure of the organisation in September 2025, as well as a complete overhaul of its meeting structure. This work is designed to position the force positively to achieve its vision and mission statements, as detailed below:

Vision: "Our Team Herts vision is to be an outstanding force serving the people of Hertfordshire."

Mission: "Our Team Herts mission describes three simple promises to the communities of Hertfordshire. We will:

- Prevent crime and harm
- Catch criminals and solve crime
- Protect victims and the vulnerable

Strategy Delivery Unit ("SDU")

The Constabulary's SDU provides three core functions to the organisation: change management; data and performance; and strategy and continuous improvement. These three functions each have a senior leader that reports into the Director of Strategic Services, allowing for a joined-up approach and optimising the use of the workforce and non-workforce assets the Constabulary has. The SDU is also the primary vehicle for supporting the performance and organisational learning work across the force.

Within these three core areas are several key responsibilities:

Change Delivery Team

The Change Delivery Team is a team of 30 change professionals with a remit to support change projects in the Constabulary. The prioritisation of these projects is determined by the Deputy Chief Constables at the Performance Day 2 Strategic Change and Resources Board. There is a significant volume of work, often involving input from teams across the Constabulary, as well as in partner forces.

Data Engineering Team

The Data Engineering Team is a team of 10 data professionals, with a remit to manage data pipelines and provide analytical information to the organisation, as well as its inspecting bodies, such as HMICFRS. It supports meetings across the organisation but provides a key role for the Performance Day 1 Accountability and Performance Board.

Strategy and Continuous Improvement

This area is primarily divided between three teams: the Strategic Hub; Experience Management Team; and Audit, Inspection and Risk Team.

Strategic Hub

The Strategic Hub has now been in place since 2020, with a core team of seven people, and has a remit to undertake organisational strategy work, as well as to manage the Constabulary's Strategic Risk Register. A significant deliverable of the team is the writing and completion of the Force Management Statement. In addition to projects, the Strategic Hub is constantly horizon scanning for future threats and risks as well as innovation and opportunities, which is communicated to the force at Day 2 of the Strategic Performance and Change board. Work to the Strategic Hub is commissioned by the Senior Leadership Team and self-generated by the team through stakeholder engagement and consultations. The team works hard to blend a mixture of functional business analysis skills with technical data analysis skills, enabling it to function as a mini-internal consultancy for the organisation.

Experience Management Team

The Experience Management Team is responsible for ensuring the visibility of the public's voice in everything the constabulary does. They also play a key role in the Day 1 Accountability and Performance Meeting and the Performance Day 2 Strategic Change and Resources Board. They use the Qualtrics platform to capture this feedback information, before sharing insights about the data at strategic meetings.

Audit, Inspection and Risk

The Audit, Inspection and Risk Team play a crucial role in preparing and managing the Constabulary's annual PEEL inspection visit. This includes both the information collection, as well as supporting inspectors during their in-person visit to the force. Alongside this, the team plays a significant role in monitoring the Constabulary's performance against causes of concern and areas for improvement identified by HMICFRS. They also attend both Day 1 and 2 performance meetings, as well as supporting the Deputy Chief Constable at the HMICFRS Scrutiny Board.

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

Learning and Development

Human Resources policies have been established by the BCH collaborated HR department. Regular conversations take place between individuals and managers to ensure oversight of wellbeing, to guide and support in the achievement of work-based objectives and to support personal and professional development.

The Constabulary manages requirements for training and development via an annual Learning Needs Assessment which seeks to capture requirements and assess and allocate these on a priority/risk basis against an external training budget and internal training resources. This budget was devolved from BCH to local forces from April 2025. Throughout the year emerging learning needs are managed and prioritised by means of tactical and strategic Operational Learning Prioritisation governance boards.

BCH has implemented the new entry routes for police officers under the umbrella of the Policing Education Qualifications Framework (PEQF). This has entailed the launch of a Police Constable Degree Apprenticeship Programme and a Degree Holder Entry Programme working in partnership with Anglia Ruskin University. In 2024 a Police Constable Entry Programme (PCEP) was introduced.

In 2025, the Constabulary embarked on a number of programmes of work to enhance and improve the capacity and capability of leaders in the organisation. These included a First Line Leaders course, a Mid Line Leaders course, a Herts Futures programmes for aspiring junior and middle rank/grade officers and staff and a Herts Lead programme for the senior leaders in the organisation.

Wellbeing

The Constabulary takes the wellbeing of its staff extremely seriously and has appointed a strategic lead that records the Constabulary’s progress against the national Oscar Kilo Workforce prioritisation guidance (“WPG”). This work is supported by a dedicated wellbeing coordinator, two officers and dedicated retention business support administrator in the Wellbeing Team, as well as a network of circa 150 volunteer wellbeing champions. Recent initiatives have included the delivery of training on Trauma Risk Management (TRiM), podcasts, wellbeing magazine, provision of healthy frozen food, the Bereavement Project and many more. There is a wellbeing strategy in place that has seen the delivery of wellbeing and resilience training across the Constabulary including new starters. This year’s wellbeing calendar has a focus on family inclusivity, and each month sees new activities covered, such as family evenings and high harm unit workshops. This is backed up with specific material and webinars on associated topics that provides a wealth of information for staff.

Workforce Planning

The Workforce Plan is agreed with the Constabulary and HR and training teams to ensure we have the right recruitment plan and training delivery plans in place to meet establishment numbers for officers. This includes a focus on the maintenance of establishment levels, which for 2025/26 was 2,405 Police Officers and this target has been met.

The Constabulary has a clear understanding of current and future demand and the resources required to meet that demand. This is obtained through the data collection and analysis processes that support the FMS, including a Strategic Workforce Plan.

The assessment of demand and asset allocation is primarily monitored through the DCC's Performance Days.

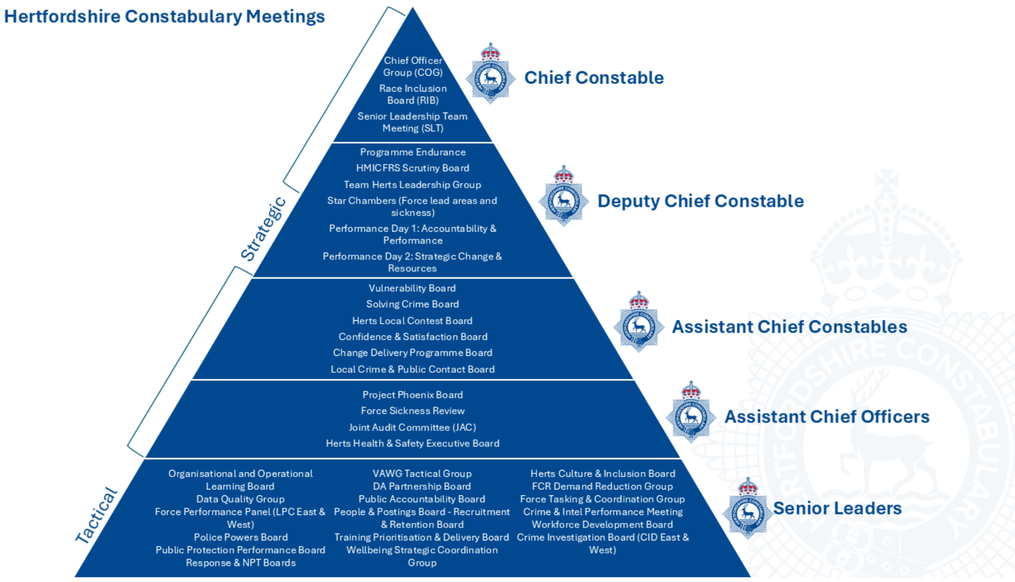
F Managing risks and performance through robust internal control and strong public financial management

Risk Management

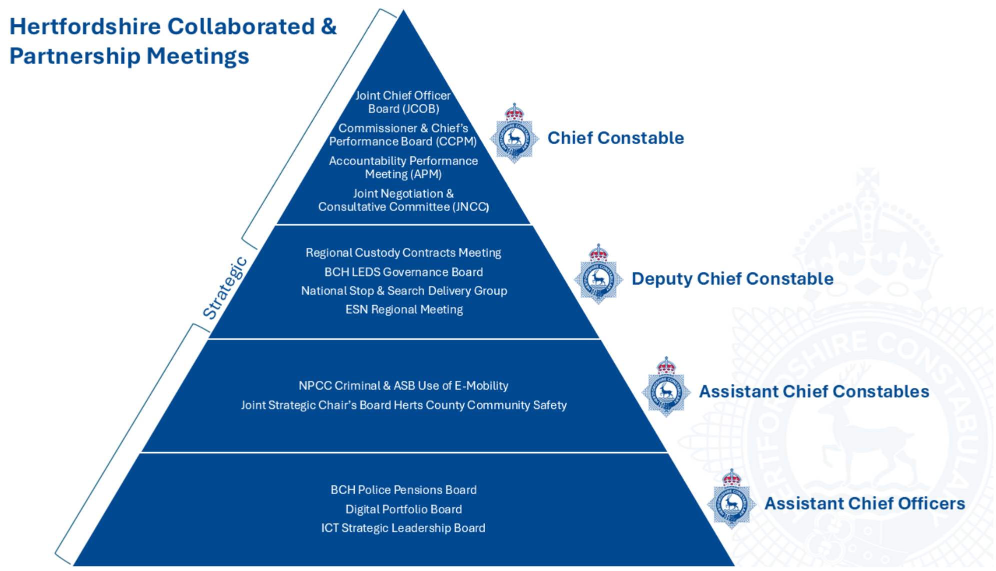
The Constabulary has a record of successfully managing risk in order to continuously provide the best possible service to the public and deliver innovative programmes of change. A proactive approach is taken to managing opportunities that can deliver business and performance benefits, as well as risks. The Strategic Risk Register is managed by the Strategic Hub and is reviewed quarterly at Chief Officer Group meetings and monthly on Performance Day 2. This is then reported further to the Joint Audit Committee (JAC). Local Risk Registers are managed by Heads of Department and tri-force risks are managed at JCOB.

Performance and Organisational Learning

The Constabulary uses a pyramidal structure for performance and organisational learning meetings, enabling accountability at all management levels and sharing best practices throughout the organisation.



There is also a collaborated version of this structure, which includes any of the partnership meetings or meetings focused on the collaborated units between Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary.



There is also a dedicated Organisational and Operational Learning Board, chaired by the Director of Strategic Services, dedicated to the capturing and dissemination of organisational learning across the Constabulary.

Key meetings:

Commissioner & Chief's Performance Board: The Chief Constable and Constabulary are held to account by the OPCC against the Police and Crime Plan 2025-2029.

Performance Day 1: Accountability and Performance: The Deputy Chief Constable holds senior leaders to account for performance across the force. This includes all major HMICFRS pillars and wider performance.

Performance Day 2: Strategic Change and Resources: The Deputy Chief Constable chairs a meeting with senior leaders, which aims to monitor all notable change work across the organisation and the utilisation of resources. This also includes accountability around resource wellbeing, sickness, overtime and working time requirement.

HMICFRS Scrutiny Board: The Deputy Chief Constable holds senior leaders to account for progress against HMICFRS causes for concerns and actions for improvements.

Race Inclusion Board: The Chief Constable chairs a Constabulary-led meeting with partners to assess the Constabulary's progress against the national Race Action Plan.

Vulnerability Board: The Assistant Chief Constable for Crime and Public Protection chair a dedicated board focusing on vulnerability.

G Implementing good practices in transparency, reporting and audit to deliver effective accountability

Openness

Openness is one the Constabulary's core values and therefore it strives to release information which is suitable for public knowledge by working in line with the Freedom of Information Act. Information in relation to salaries, business interests, Force Management Statement, annual accounts and performance data is published on the websites.

Joint Audit Committee

There is a Joint Audit Committee (JAC) that operates within the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Home Office Financial Management Code of Practice. The minutes and papers of the JAC are published on the PCC's website.

Resources Board

The PCC's Resources Board is the forum for issues related to the legitimacy, effectiveness and efficiency of the policing service delivered in Hertfordshire and where decisions need to be taken that require both parties to discuss and agree in accordance with the Scheme of Governance, the Policing Protocol Order 2011 and the respective duties of each holder of office. Its role includes:

- Any matters relating to the legitimacy, effectiveness and efficiency of the policing service delivered in Hertfordshire;
- The monitoring and management of delivery against the Police and Crime Plan and the Strategic Policing Requirements;
- Consideration of HMICFRS, Joint Audit Committee reports and similar external inspections;
- The assessment of the viability of, and decisions on entering into collaborative initiatives;
- The review and monitoring of the management of the budget by the Chief Constable; and
- Any matters relating to the Risk register.

External Assurance

The Constabulary cooperates with external inspection for example HMICFRS and has an externally contracted Internal Audit function.

Glossary of Terms

The definitions within this glossary are designed to give the user an understanding of the technical terminology contained within the Statement of Accounts.

Accounting Policies
Those principles, bases, conventions, rules and practices applied by the PCC, that specify how the effects of transactions and other events are to be reflected in its financial statements through i) recognising, ii) selecting measurement bases for, and iii) presenting assets, liabilities, gains, losses and changes to reserves.

Accrual
The recognition of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

Actuarial Gains and Losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because: a) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or b) the actuarial assumptions have changed.

Budget
A statement of the PCC's financial plans for a specified period of time, usually one year.

Capital Programme
A statement of proposed capital projects for current and future years.

Capital Receipts
Proceeds of not less than £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

Carry-forwards
These are underspends at the year-end which are carried forward into the next financial year to support that year's expenditure plans.

Creditors
Amounts owed by the PCC at the 31 March for goods received or services rendered but not yet paid for.

Capital Expenditure
Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

Current Service Cost (Pensions)
The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Debtors
Amounts owed to the PCC which are collectable or outstanding at 31 March.

Defined Benefit Scheme
A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded as in the case of the LGPS or unfunded as in the case of the Police Pension Scheme.

Depreciation
The measure of the cost or re-valued amount of the benefits of the fixed asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, passing of time or obsolescence, through either changes in technology or demand for the goods and services produced by the asset.

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

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

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

Finance Lease
A finance lease is one that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Government Grants
Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to a PCC in return for past or future compliance with certain conditions relating to the activities of the PCC.

Impairment
A reduction in the value of a fixed asset, reflecting a general fall in prices or losses due to physical damage or deterioration in an asset.

Intangible Fixed Assets
Non-financial fixed assets that do not have physical substance but are identified and controlled by the PCC through custody and legal rights.

Interest Cost (Pensions)
For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

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

Investments
A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the PCC. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Liquid Resources
Current asset investments that are readily disposable by the PCC without disrupting its business and are either: readily convertible to known amounts of cash at or close to the carrying amount or traded in an active market.

Minimum Revenue Provision (MRP)
The aim of the MRP charge is to set cash aside in order to ensure the PCC has the funds to repay outstanding principal or replenish internal cash balances. Each year the PCC is required to set a policy as to the approach it will take in making MRP.

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

Net Current Replacement Cost
The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Debt
The PCC's borrowings less cash and liquid resources. Where cash and liquid resources exceed borrowings, reference should be to net funds rather than net debt.

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

Non-Distributed Costs
These are overheads for which no user now benefits and should not be apportioned to services.

Operating Lease
A lease other than a finance lease.

Police Grant
A specific grant paid by the Home Office to support the PCC's revenue expenditure. It is a fixed sum calculated by the government on an assumed needs basis.

Precept
A levy which the PCC makes through the council tax to pay for services.

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

Prior Period Adjustments
Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Reserves
Amounts set aside to cover general expenditure needs in the future.

Revenue Contributions to Capital Outlay (RCCO)
Contributions from revenue to finance capital expenditure and thus reduce the requirement to borrow.

Revenue Expenditure
Spending on day-to-day items, including salaries, premises costs and supplies and services.

Revenue Support Grant
A grant paid by central government towards the costs of the service.

Specific Reserves
Amounts set aside for a specific purpose to meet future commitments or liabilities.

Sponsorship
The voluntary provision of non-public funds, services or equipment which enables the police to enhance or extend the normal services provided.