

THE CHIEF CONSTABLE OF SUSSEX

Draft Statement of Accounts 2024/25



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Chief Constable of Sussex

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Narrative Report

1 Introduction

The purpose of this narrative report is to provide a guide to the most significant matters reported in the 2024/25 Financial Statements for the Chief Constable of Sussex. The narrative report explains the purpose of the Financial Statements, a summary of the financial activities and the financial position as at 31 March 2025.

Sussex Police provides policing services to East Sussex and West Sussex Counties, and the city of Brighton & Hove. The police force covers a large area, 8th largest by population and 10th by size in England, over 1,460 square miles with almost 150 miles of coastline and serving around 1.7 million people who live mainly in the urban centres, especially along the south coast. The extensive mix of urban areas and sparsely populated rural areas present contrasting policing challenges.

The resident population is increased significantly by university students, seasonal workers and the very large numbers who visit, socialise in, or travel through the area each year, with ports and Gatwick airport being points of entry for overseas travellers.

Sussex Police priorities are to protect its communities, catch criminals, and deliver an outstanding service to the public. The force continues to modernise and develop how it delivers services, exploiting the latest technology and newest legislation. Over the last three years the force has improved services and the delivery of core policing, and in 2024 Sussex Police solved 52% more actual crimes than in 2022, against an increase in recorded crime of 7% over the same period.

Looking forward, the force faces a significant challenge. Crime demand in 2023 and 2024 was at its highest ever level and the processes involved in investigating crime are becoming more complex. 2024 saw the highest volume of serious crime, equivalent to 33 serious crimes per day, and the force responded to an average of 555 incidents per day, up 4% on the previous year. This level of demand is alongside the context that Sussex Police is one of the lowest forces for total funding per head of population nationally, and as a result has the 6th lowest number of officers per 1000 population meaning the force has to balance difficult choices with outputs that exceed the sum of the parts.

Over the past year the force has undertaken a series of significant change projects to improve response to calls and deliver better outcomes for victims. This has made the force more effective and more productive, however, the financial environment will be critical for the force to maintain the progress made to date and ensure that it can keep officers on the front-line and in investigative and community-based roles.

The policing landscape continues to change at pace and scale. The force established a dedicated programme to improve core investigative functions and response to the public as well as crime outcomes, supporting police visibility with more officers in local communities, on the roads, preventing, responding and providing public reassurance balanced with largely unseen police services that work to prevent, disrupt and investigate serious and complex crime and manage public protection.

The force has met its officer uplift target with a headcount of 3,251 officers by 31 March 2024, and is committed to maintaining a minimum of 3,226 officers.

A Changing Landscape for Policing in Sussex

The successful delivery of policing requires the Chief Constable to manage a complex set of resources, demands and priorities whilst reviewing and revising plans to meet changing needs. Policing is always evolving as it responds to the social, legal, political and economic landscape in which it operates. Although these changes provide challenges and opportunities, the focus for Sussex Police remains constant in protecting the public, catching criminals and delivering an outstanding service.

While the force invests to improve services on the one hand, it also continues to seek out efficiency and savings on the other hand. National and global factors have significantly impacted the economy and rates of inflation and Sussex Police, like all public services, must deal with the associated impact on its financial position.

2 The financial year ahead

In January 2025, the government confirmed the final funding settlement for policing for the following financial year 2025/26. Total grant funding for Sussex in 2025/26 is £245.7m, which is an increase of £18m from 2024/25. The increase in grant is essential to contribute to approximately £30m of externally driven cost growth in officer pay, good, services, and price inflation.

The government also gave Police and Crime Commissioners the flexibility to increase the policing element of council tax by an extra £14 per year, per household (for an average band D property). The government included the maximum £14 precept increase within the overall police funding settlement reflected in the grant.

Future Savings and Efficiency Plans

Sussex Police like other forces face a financial deficit recurring year on year due to costs growing faster than funding. To help meet this deficit, during the last two financial years, the force has been delivering a multi-year transformation programme in selected areas of the organisation, designed to simplify and digitise processes, improve outputs, and reduce costs. This is alongside other tactical and operational savings and efficiency measures that are essential to meet the significant funding deficit and minimise impact to policing services. The force is well practiced at looking for ways to improve productivity and deliver value for money with demonstrable progress in recent years, making savings over £7m in 2024/25. The force has a strong collaboration with Surrey Police which complements both forces in driving efficiency, creating economy of scale, improving capability, resilience and service to both communities.

3 The Chief Constable & The Police and Crime Commissioner

The Chief Constable of Sussex and the Police and Crime Commissioner (PCC) are separate legal entities known as 'corporation sole' bodies. The Sussex Police force is a 100% subsidiary of the Office of the PCC as set out under the Police Reform and Social Responsibility Act 2011. The "Sussex Police Group" refers to 'The Police and Crime Commissioner for Sussex' and 'The Chief Constable of Sussex' combined.

The Chief Constable

The primary function of the legal entity headed by the Chief Constable is the exercise of operational policing duties under the Police Act 1996. The Chief Constable holds office under the Crown, but is appointed by the PCC and has responsibility for:

- Operational independence to deliver the operational policing plan;
- Direction and control over the force's officers and staff;
- Managing the operational delivery budget; and
- Appointing a qualified person to act as chief finance officer.

The Chief Constable incurs all operating costs (excluding those relating to the Office of the PCC) and receives any associated operating income, the net of which is funded by government grants and policing precept on council tax through the PCC. The Chief Constable accounts for all pension costs, including the associated pension liability that is shown in the Chief Constable's Balance Sheet.

The Police and Crime Commissioner

The primary function of the Police and Crime Commissioner (PCC) is to secure the maintenance of an efficient and effective police force in Sussex, and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996.

The PCC holds the forces assets, liabilities and reserves on the PCC balance sheet while the Force is responsible for their financial management and delivery. The PCC is also responsible for overseeing and scrutinising the forces in-year finances and future financial plans. The PCC incurs costs relating to the Office of the PCC and receives the funding and is the nominal account holder for the payments for the Group from the overall Police Fund which are administered and delivered by the Force. In turn, the Chief Constable fulfils the functions under the Act within an annual budget (set by the PCC in consultation with the Chief Constable). A Scheme of Consent is in operation between the two bodies determining their respective responsibilities, as well as local arrangements in respect of the use of the PCCs assets.

Accounting Arrangements

Each Public Body has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

This Statement of Accounts includes all the financial transactions incurred during 2024/25 relating to the Chief Constable. The consolidated Group position including the Chief Constable and PCC, have been prepared in a separate Statement of Accounts.

4 The Statement of Accounts

The Financial Statements for 2024/25, which follow this narrative report, have been prepared in accordance with the Code of Practice on Local Authority Accounting 2024/25, based on International Financial Reporting Standards ('The Code') issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) and comprise of:

Comprehensive Income and Expenditure Statement (CIES)

The CIES consolidates all income, expenditure, gains and losses experienced during the financial year. This includes all day-to-day expenses and related income prepared on an accruals basis, as well as transactions measuring the value of fixed assets consumed and the real projected value of retirement benefits earned by employees in the year. The PCC raises taxation to cover expenditure in accordance with specific rules as to how tax rates are set in relation to the income and expenses of the

Group. This means the expenditure covered by local taxation (funding basis) may be different to the full accounting cost recorded in the CIES (accounting basis). The adjustments between the funding basis and accounting basis are shown in the Movement in Reserves Statement (MiRS).

The Movement in Reserves Statement

The MiRS is a summary of the changes that have taken place in the bottom half of the Balance Sheet over the financial year. It shows the movement in year on the different reserves, analysed into 'useable' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The Balance Sheet

This shows the value of the assets and liabilities held as at 31 March for the current and prior years. The net liabilities (assets less liabilities) are matched by the total reserves.

The Cash Flow Statement

This shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. The Chief Constable does not manage any of these transactions and accordingly the net cash impact is nil in these accounts. Movements of monies are included in the PCCs Statement of Accounts and only the net deficit on the provision of services and adjustments for non-cash movements are included in the Chief Constable's cash flow statement.

Notes to the Accounts

These provide additional information to support the figures included in the financial statements and are designed to aid the reader. They comprise significant accounting policies and other explanatory information.

In addition to the Financial Statements, the annual accounts include a Statement of Responsibilities for the Accounts and information on the Police Officer Pension Fund (providing statements for pension fund income and expenditure, assets and liabilities).

Governance

The accounts are subject to detailed review by an independent external auditor. The auditor provides assurance that the accounts provide a true and fair view of financial position, are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

The Accounts and Audit (England) Regulations 2015 require that the Annual Governance Statement (AGS) should accompany the Statement of Accounts. The AGS for the Chief Constable explains the governance processes and procedures in place to enable the Chief Constable to carry out functions effectively, by highlighting the internal control environment, commenting on its effectiveness and identifying issues for future work. The AGS document is available on the website of the Chief Constable of Sussex www.sussex.police.uk.

5 Financial Arrangements

Setting the Budget

The Chief Constable delivers the operational policing against a delivery plan and net budget approved by the PCC. The PCC Group total net revenue budget for 2024/25 was set at £399.5m (2023/24: £369.8m of which £376.374m (2023/24: £359.876m) was attributed to policing under the direction of the Chief Constable for the year, the remaining gross revenue budgets being under the control of the PCC. The Chief Constable's revenue budget for running costs is referred to as the Operational Delivery Budget. For 2024/25 the Chief Constable also managed a capital and investment budget approved by the PCC for major schemes and projects of £14.2m (2023/24: £12.6m).

The following table shows a summary of the annual revenue actual v budget by portfolio expenditure.

Category	Chief Constable Outturn		
	Actual £000	Budget £000	Variance £000
Local Policing	263,783	264,892	(1,109)
Operations	9,620	10,862	(1,242)
Specialist Crime	26,202	24,770	1,432
Corporate & Support Services	76,062	75,850	212
Total Net Expenditure	375,667	376,374	(707)

The capital budget included planned expenditure in line with the Estates Strategy, improvements to IT Infrastructure, replacement programmes for fleet and operational equipment and major projects including digital policing. It also includes investment in the South East Regional Organised Crime Unit Western Hub in collaboration with Thames Valley Police (TVP), Hampshire Constabulary and Surrey Police.

Final Revenue Outturn

Actual net expenditure attributable to policing under the direction of the Chief Constable was £375.667m (2023/24: £350.9m) resulting in a £0.7m operational delivery underspend (2022/23: £8.9m underspend)

The following table the actual expenditure for the Chief Constable compared to budget for 2024/25 by subjective cost type.

2024/25 Category	Chief Constable Outturn		
	Actual £000	Budget £000	Variance £000
Employees	349,613	351,502	(1,889)
Premises	13,583	15,018	(1,434)
Transport	7,421	5,631	1,790
Supplies & Services	50,040	45,519	4,522
Capital Financing and Reporting	18	0	18
Total Expenditure	420,675	417,669	3,006
Grants & Income	(45,008)	(41,295)	(3,713)
Total Net Expenditure	375,667	376,374	(707)

Employees variance: Pay is underspent by (£2.0m) across all cost types which includes the 4.75% officer and staff pay award from September. The main variance is caused by staff underspending by (£2.5m) due to higher vacancy than planned, offset by overspends in officer pay due to grade mix, officer overtime of £0.3m and staff overtime at £0.1m.

Premises Variance: The year end position was underspent by (£1.4m) mostly from Utilities (£0.8m) due to a favourable energy contract in year and Other Premises Costs of (£0.5m).

Transport: The Joint Transport Services overspent by £1.7m due to increased Service Maintenance repairs where more work was outsourced than planned due to staff vacancies along with inflation within the external market. There are also overspends due to obsolete stock being written off.

Suppliers and Services: Specialist Crime is overspent by £2.2m mostly relating to Digital Forensics of £1.7m due largely to reliance on outsourced services and historic extraordinary investigations of £0.7k offset by underspends in Public Protection (£0.3k) and Operations (£0.4k). Corporate Services are also overspent by £0.7m, due to a high volume of Civil Claims payments to third party solicitors and force legal fees. Criminal Justice and Custody are underspent by (£0.5m) due to increased income from Op Safeguard where cell capacity is utilised by the prison services. Operations are overspent by £0.3m due to increased vehicle recovery storage costs and a small overspend for sim cards for ANPR cameras as well as Joint Protective Security overspent on weapons and tasers.

Other overspends occurred due to increase insurance write-offs and increased insurance premiums along with other minor variances.

Comprehensive Income and Expenditure Statement

Actual expenditure for the year ended 31 March 2025 compared against the previous year can be seen in the Comprehensive Income and Expenditure Statement.

The Comprehensive Income and Expenditure Statement (CIES) measures the financial performance for the year in terms of resources consumed over the period and the funding provided to finance these resources. The accounting basis used to prepare the CIES is different to the statutory basis used to calculate net expenditure funded from Home Office grants and local taxation. The CIES includes all net expenditure funded from grant and taxation plus notional (non-cash) amounts that are required by accounting regulations e.g. depreciation and changes in the value of property assets, interest charges on leased assets, and calculations of movements in police officer and police staff pension liabilities.

The following table reconciles the Chief Constable's net operational expenditure for 2024/25 to the position reported in the CIES. The table shows how the management accounts outturn position reported to the Chief Constable and the Police and Crime Commissioner is adjusted for accounting regulations and other statutory adjustments to arrive at the deficit on provision of services as reported in the CIES.

2023/24 £m	Final Chief Constable Income and Expenditure Position	2024/25 £m
(9.0) 9.0	Chief Constable's revenue outturn (surplus) position for the year Loss or (Surplus) transfer from/to Reserves	(0.7) 0.7
0.0	Chief Constable's position after surplus transfer to Reserves Adjustments between accounting & funding basis under regulations (note 6 to the Accounts)	0.0
143.0	Pension amounts relating to retirement benefits charged to the CIES	145.1
(97.2)	Pension employer contributions and payments payable to pensioners in year	(106.7)
0.7	Accumulated Absences accrual	1.0
46.5	Deficit on Provision of Services per Comprehensive Income and Expenditure Statement	39.4
156.8	Pension re-measurements	(288.3)
203.3	Total Comprehensive Income and Expenditure Statement Deficit per Financial Statements	248.8

For the 2024/25 financial year the value of notional (non-cash) items are significant. They include:

- non-cash items required to be included in statutory accounts but not funded from local taxation including in year pensions costs on an actuarial basis rather than cash basis (£38.4m); and accumulated annual leave not taken by year end (1.0m); and
- a decrease in the pension liability amounting to (£250m) based on actuarial assessment and this was caused by the Asset Ceiling and pension remeasurements adjustments.

An asset ceiling adjustment is a calculation that limits the amount of net assets an employer can disclose relative to their funding obligations. It's used to ensure that a company's balance sheet accurately reflects how a pension scheme's rules and funding requirements impact the value of a defined benefit surplus or deficit.

The asset ceiling is the present value of any economic benefits that may be available in the form of refunds or reduced future contributions to a plan.

The overall change in pension liabilities reflected in the CIES and balance sheet is £250m, including the in-year actuarial pension costs and change in long term liabilities.

Pension liabilities can vary from year to year and have the most significant impact on the statutory accounts. The actuarial assessment each year reflects changes in market conditions, bond yields, assumed rates of increase of salaries and deferred pension, all of these can have a significant effect on the value of liabilities reported. Actuarial assumptions are determined on a 'best estimate' basis although there are risks and uncertainties associated with whatever assumptions are adopted because they are in effect projections of future investment returns and demographics many years into the future so there is inevitably a great deal of uncertainty.

This deficit has no immediate cash impact on the Chief Constable. The most significant element of this deficit is a change in long term pension liabilities for police staff and police officers based on latest valuations required by accounting standards. Management of these long-term liabilities are subject to funding strategies of West Sussex Local Government Pension Scheme (Police Staff) and Home Office Police Pensions Schemes (Police Officers) and require no immediate action by PCC or Chief Constable but may have a financial impact on expenditure in future years.

6 Capital Expenditure Budget

The capital and investment programme is designed to support business enablement and change projects to replace legacy technical systems and platforms, and promote new ways of working and efficient use of resources. Current plans include provision for the Estates Strategy, vehicle fleet replacement programme and in-car technology development, ICT infrastructure and modernisation plans, plus further development of mobile policing.

The Digital, Data and Technology (DDaT) Strategy focus includes upgrading technology with mobile data terminals and hardware refresh projects, updating network infrastructure, network storage, network monitoring and crime reporting tools. Much of the capital underspend observed this year related to project slippage within Estates and Facilities and Change Delivery where these project costs will be incurred in the following year.

The estates strategy is a key part of the capital programme and aims to make sure that the property used for policing is in the right place, is fit for purpose and efficient. This involves transforming the property estate, freeing up resources and disposing of unsuitable properties to generate capital receipts.

Under the terms of the funding arrangement between the PCC and the Chief Constable, all non-current assets are under held by the PCC. Details of capital expenditure and funding in relation to the acquisition and enhancement of assets, which amounted to £16.2m in 2024/25 are shown in the financial statements of the PCC. An additional amount totalling £0.061m of expenditure was incurred during the year as part of the capital and investment programme and related projects but was not capitalised, as

it did not meet the criteria for capitalisation. Instead, it was treated as expenditure in the CIES and excluded in full from the Capital Financing Requirement (CFR).

The Chief Constable CIES receives a charge for the use of operational assets based on capital charges.

The capital and investment budget for 2024/25 was approved by the PCC in February 2024 at £14.5m. During the year budget virements were agreed, resulting in a revised capital budget of £20.2m.

The final outturn for the capital & investment programme underspent by (£3.99m).

Capital and Investment Budget Outturn 2024/25

2024/25 Capital Outturn	Actual	Revised Budget	Variance over/ (under)spend	
	£m	£m	£m	%
DDaT Strategy	2.01	2.06	(0.05)	-2.43%
ERP	0.49	0.58	(0.09)	-15.52%
Cost of Change	0	0.74	(0.74)	-100.00%
Fleet Strategy	9.17	9.09	0.08	0.88%
Estates and Facilities	1.38	2.52	(1.14)	-45.24%
Estates Strategy	0.33	0.91	(0.58)	-63.74%
Corporate Services	0.47	0.61	(0.14)	-22.95%
Specialist Crime Schemes	1.12	1.64	(0.52)	-31.71%
Operational Investments	1.24	2.05	(0.81)	-39.51%
Total	16.21	20.20	(3.99)	-19.75%

The Fleet strategy expenditure covers the on-going fleet replacement programme as well as ANPR and Telematics installations in vehicles. Much of the slippage observed this year relating to fleet was due to delays in the delivery of vehicles and vehicle parts.

Operational Investments of £1.24m was spent on the purchase of operational command equipment, ANPR equipment, tasers, drones and investments funded by the Sussex Safer Roads Partnership.

Estates Strategy is closely scrutinised by the PCC, with decisions and revisions to plans addressed through regular Estates Board. Throughout the year, improvements to the estate and refurbishments to many sites have taken place, including spend on mechanical & electric projects, improvements at HQ Lewes and integrated CCTV solutions along with other smaller projects.

The following table sets out how the final expenditure under the Capital & Investment Programme was financed:

Source of Funding	Revenue Sources £m	Capital Sources £m	Total Financing £m	%
Home Office Capital Grant	0	0	0	0%
Other Grants and Income	0	0.43	0.43	3%
Capital Receipts	0	0.03	0.03	0%
Revenue Funding	11.40	0	11.40	81%
Reserves	0	4.35	4.35	17%
External Borrowing	0	0	0	0%
Internal Borrowing	0	0	0	0%
Total	11.40	4.81	16.21	100%

Revenue costs of capital & investment programme projects:

The capital programme budget includes the total costs of each project. Actual expenditure incurred therefore comprise elements of capital and revenue expenditure. Expenditure is assessed at year end as part of the annual accounts process to ensure we account for expenditure in line with approved asset accounting policy. A strict definition is used to assess whether expenditure on the capital programme complies with capital expenditure regulations. In general, one-off small value items and spend that does not add to the value of an asset, is charged to the revenue accounts. As part of the final accounts process, capital programme expenditure of £0.061m has been assessed as expenditure which cannot be capitalised. This expenditure has been

charged to the Operational Delivery revenue account 2024/25 funded from reserves and other revenue funding and is reflected in the revenue account.

Balance Sheet

The balance sheet shows the value of the recognised assets and liabilities. The net liabilities are matched by the reserves held.

Chief Constable's Balance Sheet			
	31 March 2024	31 March 2025	Movement
	£m	£m	£m
Current Liabilities	(5.9)	-6.9	(1)
Long Term Liabilities	(2,493.1)	-2,243.20	249.9
Net Liabilities	(2,499.0)	-2,250.10	248.9
Financed by			
Pensions Reserve	2,493.1	2,243.20	(249.90)
Accumulated Absences Reserve	5.9	6.9	1
Total Reserves	2,499.0	2,250.10	(248.9)

The movement between years was £248.9. This is predominantly due to the recognition of the asset ceiling in the long-term pension liability and other actuarial remeasurements as a result of the annual actuarial review and changes in assumptions used to estimate future pension costs. The present value of the defined benefit obligation and projected pension expense for next year have increased over the year due to a fall in the real discount rate and from using a more up-to-date longevity assumption.

The other minor movement relates to the Accumulated Absences accrual provision.

7 Employee Pension Schemes

The Chief Constable operates separate pension schemes for Police Officers and Police Staff. Police staff can join the Local Government Pension Scheme (LGPS) and police officers can join the Police Pension Scheme. They are both defined benefit schemes, but differ in their operation. A fuller explanation is provided in the Notes to the Financial Statements.

Although benefits from these schemes will not be payable until an officer or staff member retires, the Chief Constable is required to disclose this future commitment based on the full cost calculated based on the time employees become eligible to retire. This future net liability and annual current cost are calculated by an independent actuary in accordance with International Accounting Standards (IAS19).

Accounting for this commitment has a substantial impact on the net worth of the Balance Sheet, resulting in a negative pension reserve on the Balance Sheet of £2,243.2m (2023/24: £2,493.1m). The police officer pension schemes have the majority share of this deficit at £2,233m (2023/24: £2,481m). Statutory arrangements are in place to fund this deficit which means the Chief Constable maintains a healthy financial position and can continue to operate on a going concern basis.

The value of the police staff pension scheme is assessed triennially when the employer's contribution is adjusted in line with the actuary's recommendations. The last valuation was completed in April 2022 and set the rate of employer contributions for 2024/25 at 18.9% (2023/24: 19.9%).

For the police officer pension fund, the employer's contribution rate for the 2024/25 year was set at 35.3%. In 2024/25, costs in excess of the employer's contribution were met by the Home Office by way of the Pension Top Up Grant and an additional Pension Grant from HM Treasury.

8 Further Information

Sussex Police continues to undertake significant activity through the Policing Together programme with Surrey Police, and also with other forces in the South-East region, in order to meet financial challenges, increase resilience and improve service delivery. The full savings programme and budget reductions achieved by Sussex Police in 2024/25 totalled £7.19m and is shown by portfolio in the table below:

2024/25 Savings by Portfolio	Total £m
Criminal Justice & Custody	0.78
Contact	0.62
Enabling Services	0.67
Estates & Facilities	0.88
Finance	1.52
Fleet	0.03
Specialist Crime	0.77
DDaT	0.65
Ops Command	0.88
Procurement	0.38
Learning and Development	0.01
Total	7.19

All planned 2024/254 savings were taken at the beginning of the financial year.

Within the organisation we continue to develop innovative working practices to maximise our efficiency. This includes investing in better technology, managing digital evidence and sharing information more effectively.

We are monitoring the effectiveness of our digital investments and we are equipping all employees with the right skills and tools to work in a modern way, whilst they face increasingly complex policing challenges, and provide increased visibility and reassurance to the community.

With further investment we can further strengthen our position – protect communities and prevent crimes, catch criminals and deliver an outstanding service to keep Sussex even safer.

Four Year Efficiency requirements (2024/25-2028/29)

2024/25	Risk	2025/26	2026/27	2027/28	2028/29	4 Year Total
£m		£m	£m	£m	£m	£m
0.0	Red	1.4	2.4	0.0	0.0	3.9
0.0	Amber	1.5	2.0	0.0	0.0	3.5
6.0	Green	2.0	0.3	0.1	0.0	2.4
6.0	Total	5.0	4.7	0.1	0.0	9.8
6.0	MTFS Efficiencies Required	5.0	9.8	8.0	6.4	29.3
0.0	Net Efficiencies Required over MTFS	0.0	5.1	7.9	6.4	19.5

The majority of services within the Support Services functions are collaborated including; Procurement, Insurance, Finance, People Services, Information & Communication Technology, and Transport.

Sussex Police are committed to continuous improvement in their arrangements for programme, project and financial management as demonstrated through a number of key initiatives and programmes, including; rationalisation of the Estates (Sussex Estates Strategy), transformation programme, savings programme and collaboration. Regional collaboration continues with five police forces (Thames Valley, Hampshire, Sussex, Surrey and Kent) working together on counter terrorism and tackling serious and organised crime. This is governed by a joint regional oversight board which the five PCCs chair in rotation.

9 Financial Outlook

The financial statements are prepared on the assumption that the legal entity of the Chief Constable is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realise assets and discharge liabilities in the normal course of operations.

The key accounting concept of a going concern assumes that an organisation, its functions and services will continue in operational existence for the foreseeable future. Where this is not the case, particular care will be needed in the valuation of assets. An inability to apply the going concern concept can have a fundamental impact on the financial statements.

The Local Government Accounting Code makes it clear that government changes should not be seen as having a detrimental impact on the Chief Constable continuing as a going concern. In addition to this a policing body cannot be created or dissolved without statutory prescription, and accordingly must prepare their financial statements on a going concern basis of accounting.

Unusable reserves on the balance sheet includes the large negative pension reserve which is mainly due to the police pension schemes being unfunded i.e. with no fund assets to offset future liabilities when existing police officers have all retired. The statutory arrangements for funding the liability mean that the Chief Constable's financial position remains sound.

Usable reserves are a key part of budget setting and financial planning for the group, such reserves are held by the PCC, with the general reserves strategy being to maintain a balance that does not fall below 4% of the budget. A number of earmarked revenue reserves are also held by the PCC for specific purposes or activities of the group. The use of usable reserves assists in financial planning to mitigate any short term predicted funding gaps.

The financial resilience and sustainability of the Force is monitored by the production and review of the Medium Term Financial Strategy (MTFS). The MTFS supports the Operational Delivery Plans incorporating all known financial and business assumptions and the force's approach to efficiency, demand management, investment in priorities and capital investment.

The MTFS provides options for delivering a sustainable revenue budget and capital investment over the medium term. It also sets out how the PCC can provide the Chief Constable with the resources to deliver the priorities in the Police & Crime Plan, support the mission, vision and values of Sussex Police and meet the requirements of the Strategic Policing Requirement within challenging financial boundaries.

Further Information

Details of the PCC's plans for revenue and capital expenditure in 2024/25 budget can be found in the Sussex Police and Crime Commissioner's Precept setting proposal. Whilst the annual budget is agreed by the PCC it is scrutinised by the Police and Crime Panel before a final decision is made. Copies of the documents can be obtained from the Office of the Police and Crime Commissioner for Sussex by telephoning: 01273 481561, or from the website at www.sussex-pcc.gov.uk

Statutory accounts for the Chief Constable and separate accounts for The Police and Crime Commissioner and Group are available to view and download on the Police and Crime Commissioner for Sussex website www.sussex-pcc.gov.uk or on the Sussex Police website www.sussex.police.uk

If you have any questions, comments or suggestions about these financial statements please contact us using the following email address: Corporate.Finance@sussex.pnn.police.uk



Peter Appleton

Chief Finance Officer to the Chief Constable of Sussex

Date: 30 June 2025

Statements of Responsibilities

This section explains the responsibilities for managing the financial affairs of the Chief Constable of Sussex.

Responsibilities of the Chief Constable:

The Chief Constable is required:

- To make arrangements for the proper administration of the Chief Constable of Sussex's financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- To approve the Statement of Accounts.

Responsibilities of the Chief Finance Officer to the Chief Constable of Sussex:

The Chief Finance Officer is responsible for:

- Preparation of the Statement of Accounts for the Chief Constable of Sussex in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing the 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, including assessments of going concern; and
- Complied with the code and its application to the Accounts of the Chief Constable of Sussex.
- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I approve the Draft Statement of Accounts for the year ended 31 March 2025.



Jo Shiner KPM
Chief Constable
Dated: 30 June 2025

I certify that the Draft Statement of Accounts give a true and fair view of the financial position of the Chief Constable of Sussex at the accounting date and of the income and expenditure for the year ended 31 March 2025.



Peter Appleton
Chief Finance Officer to the Chief Constable
Dated: 30 June 2025

Independent Auditors' Report to the Chief Constable of Sussex

This report explains the Auditor's responsibility for providing an opinion that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable of Sussex

Comprehensive Income and Expenditure Statement

This statement shows the consolidated accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

The Comprehensive Income and Expenditure Statement (CIES) below indicates resources consumed by the Chief Constable at the request of the Police and Crime Commissioner. In practice all the respective costs are paid for by the PCC and the Chief Constable's Comprehensive Income and Expenditure Statement includes an intra-group adjustment to offset income and expenditure other than items relating to IAS19 pension liabilities and employee benefits.

2023/24				2024/25			
Expenditure	Income	Net	Note	Expenditure	Income	Net	
£000	£000	£000		£000	£000	£000	
304,843	0	304,843		323,181	0	323,181	
14,116	0	14,116		13,516	0	13,516	
6,586	0	6,586		7,403	0	7,403	
56,685	0	56,685		61,131	0	61,131	
2,498	0	2,498		2,397	0	2,397	
9,603	0	9,603		11,306	0	11,306	
0	(43,367)	(43,367)		0	(44,857)	(44,857)	
394,331	(43,367)	350,964	Net Cost of Services	1	418,934	(44,857)	374,077
0	(409,519)	(409,519)	Intra-Group Funding Transfer		0	(441,260)	(441,260)
134,135	(29,127)	105,008	Financing and Investment Income and Expenditure	8	139,268	(32,636)	106,632
0	0	0	Taxation and Non-Specific Grant Income		0	(8)	(8)
528,466	(482,014)	46,453	(Surplus) or Deficit on Provision of Services	1	558,202	(518,761)	39,441
		156,793	Re-measurement of the net defined benefit liability				(288,281)
		156,793	Other Comprehensive Income and Expenditure				(288,281)
		203,246	Total Comprehensive Income and Expenditure				(248,840)

Movement in Reserves Statement

The Movement in Reserves Statement (MIRS) is a summary of the changes that have taken place in the bottom half of the Balance Sheet over the financial year. This shows the movement from the start of the year to the end on the different reserves, analysed into 'usable reserves' i.e. those that can be applied to fund expenditure or reduce the local taxation and other 'unusable reserves'. The movements are broken down between gains/losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase or decrease line shows the statutory General Fund balance movements in the year following those statutory adjustments. This statement shows only pension and employee liability transactions as all other reserves are managed by the Police and Crime Commissioner for Sussex. The financial consequences of operational activities undertaken by the Chief Constable can be seen in the Comprehensive Income and Expenditure Statement.

CHIEF 2024/25	Note	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance at 31 March 2023		0	0	2,498,944	2,498,944
Movement in reserves during 2022/23					
Surplus or deficit on the provision of services		39,441	39,441	-	39,441
Other Comprehensive Income / Expenditure		0	0	(288,281)	(288,281)
Total Comprehensive Income and Expenditure		39,441	39,441	(288,281)	(248,840)
Adjustments between accounting basis and funding basis under regulations	6	(39,441)	(39,441)	39,441	0
Net Increase or Decrease before Transfers to Earmarked Reserves		0	0	(248,840)	(248,840)
Transfers to / from Earmarked Reserves		0	0	0	0
Increase or Decrease in 2022/23		0	0	(248,840)	(248,840)
Rounding				1	1
Balance at 31 March 2024		0	0	2,250,105	2,250,105

CHIEF 2023/24

	Note	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance at 31 March 2023		0	0	2,295,698	2,295,698
Movement in reserves during 2023/24					
Surplus or deficit on the provision of services	1	46,453	46,453		46,453
Other Comprehensive Income / Expenditure		0	0	156,793	156,793
Total Comprehensive Income and Expenditure		46,453	46,453	156,793	203,246
Adjustments between accounting basis and funding basis under regulations	6	(46,453)	(46,453)	46,453	0
Net Increase or Decrease before Transfers to Earmarked Reserves		0	0	203,246	203,246
Transfers to / from Earmarked Reserves		0	0	0	0
Increase or Decrease in 2023/24		0	0	203,246	203,246
Rounding					
Balance at 31 March 2024	12	0	0	2,498,944	2,248,944

Balance Sheet

This shows the assets and liabilities of the Chief Constable of Sussex as at the Balance Sheet date. The net assets (assets less liabilities) are matched by reserves. As the Police and Crime Commissioner owns all assets, the Chief Constable's Balance Sheet only includes pension fund and employee liability entries.

Reserves are reported in two categories. Usable reserves, i.e. those reserves that may be used to fund the provision of services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The Chief Constable of Sussex does not hold any usable reserves as all usable reserves are held by the Police and Crime Commissioner for Sussex on behalf of the Group.

The second category of reserves is those that the Chief Constable is not able to use to provide services. These are referred to as unusable or non-cash backed reserves. This includes reserves for pensions and accumulated absences that recognise the impact of accounting treatment shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31-Mar-24		Note	31-Mar-25
£000			£000
(5,861)	Short-Term Creditors		(6,871)
(5,861)	Current Liabilities		(6,871)
(2,493,083)	Other Long-Term Liabilities		(2,243,234)
(2,493,083)	Long Term Liabilities		(2,243,234)
(2,498,944)	Net Liabilities		(2,250,105)
<hr/>			
2,498,944	Unusable Reserves	12	2,250,105
2,498,944	Total Reserves		2,250,105

I certify that this Draft Statement of Accounts gives a true and fair view of the financial position of the Chief Constable of Sussex at the accounting date and of the income and expenditure for the year ended 31 March 2025.



Peter Appleton
Chief Finance Officer to the Chief Constable
Dated: 30 June 2025

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period.

2023/24		2024/25
£000		£000
46,453	Net (surplus) or deficit on the provision of services	39,441
(46,453)	Adjustment to surplus or deficit on the provision of services for noncash movements	6 (39,441)
0	Net cash flows from operating activities	0
0	Net cash flows from investing activities	0
0	Net cash flows from financing activities	0
0	Net (increase) or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	0

All cash payments are made from the Police Fund which is held by the Police and Crime Commissioner for Sussex. Similarly all income receipts and funding are received by the PCC during the year. This is why the statement does not show any cash transactions for the year ended 31 March 2025.

The financial consequences of the Chief Constable's policing activities included in the table above are included in the net (surplus)/deficit as non-cash movements. These can be seen in the Comprehensive Income Expenditure Account.

Note 1 - Expenditure and Funding Analysis

2023/24			2024/25		
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
£000	£000	£000	£000	£000	£000
258,390	46,453	304,843	283,740	39,441	323,181
14,116	0	14,116	13,516	0	13,516
6,586	0	6,586	7,403	0	7,403
56,685	0	56,685	61,131	0	61,131
2,498	0	2,498	2,397	0	2,397
9,603	0	9,603	11,306	0	11,306
(43,367)	0	(43,367)	(44,857)	0	(44,857)
304,511	46,453	350,964	334,636	39,441	374,077
(304,511)	0	(304,511)	(334,636)	0	(334,636)
				0	
0	46,453	46,453	0	39,441	39,441

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies 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 by the Chief Constable's Management Team. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis is a note to the Financial Statements rather than a primary statement itself. It provides a link from the figures reported in the CIES to the General Fund Balance and Usable Revenue Reserves.

The adjustments column represents adjustments between accounting basis and funding basis. For the Chief Constable this includes:

- Accumulated absences amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements; and
- Net Change for the Pensions Adjustments - for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

Going Concern Section 1 – Underlying Principle

These accounts have been prepared on a going concern basis that the authority will continue in operational existence for the foreseeable future. The Police and Crime Commissioner for Sussex and the Chief Constable of Sussex have assessed going concern and that cash flow requirements can be met for the assessment period to May 2026.

The provisions in the Code of Audit Practice in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as policing bodies cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities and policing bodies carry out functions essential to the local community and are themselves tax revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a policing body were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements of a policing body to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that policing services will continue to operate for the foreseeable future. The Police and Crime Commissioner for Sussex and the Chief Constable of Sussex accounts therefore assume they will continue to operate for the foreseeable future.

MTFS 2025/26 to 2028/29

The key principles underlying the PCC's and the Chief Constable's MTFS 2025/26 to 2028/29 are:

- Overall expenditure will be contained within approved estimates each year.
- The PCC will seek to maintain a General Reserve of a minimum of 4% of Net Revenue Expenditure of which 1% is for operational requirements and 3% to cover any major unforeseen expenditure or loss of funding. The PCC will review the cost of maintaining reserves at this level against the benefits of alternative approaches on a regular basis and a flexible approach will be adopted appropriate to circumstances.
- The PCC will maintain earmarked reserves for specific purposes when appropriate, consistent with achieving objectives.
- The PCC will continue to prioritise the achievement of value for money and efficiency in establishing the framework for policing within Sussex and in commissioning and procurement decisions.

The Medium Term Financial Strategy forecast published in Feb 25 estimated a savings requirement totalling £29.3m over the 4 year period of the strategy with £5.0m being required in 2025/26. This has to be met from tactical efficiency savings and reshaping of services. £6.0m savings for 2024/25 were achieved as part of the budget setting process. Additional tactical savings have been identified and actioned in-year resulting in £1.1m over-achieved savings totalling £1.1m. and to be carried forward from 2024/25 to 2025/26 of which £0.4m Firearms Licensing savings are at risk.

A forecast balanced revenue and capital budget for 2024/25 was estimated at the end of February 2025. This has been estimated taking into account a number of cost increases which have been greater than assumed in the original estimates. These include the increased police officer pay award, an assumed increase for police staff pay in line with police officers, and actual rates of police officer attrition being higher than budgeted with replacement new recruits joining at lower pay rates. This is in part offset by a one off grant provided by the Home Office. Further cost pressures are also arising from increased utility price costs, liquid fuel and many more supplies and services that are purchased. The cost of borrowing which funds the capital programme is has also doubled compared with the time the budget was approved and is now included in the revised forecast.

Going Concern Section 2 – Cash Position

The PCC and Chief Constable for Sussex held £52.4m at 31 March 2025 (£16.4m in MMFs and £36m in fixed term investments no more than 12 months), compared to £45.2m (£14.2m in MMFs and £31m in fixed term investment) at the beginning of the financial year.

The PCC and Chief Constable for Sussex deem the uncertainty on income cash flows low as most of its income is receivable as approved grant resources from the Home Office and council tax from local billing authorities which is fixed for each financial year (the risk of variation in cash is included in the council tax collection fund – see Note 10). The PCC for Sussex also remains confident in its ability to maintain sufficient cash for its activities throughout the medium term and has a borrowing strategy in place to borrow against capital investment as plans are approved. The PCC for Sussex is also able to mitigate any short term deposit timing cash flow requirements with its ability to borrow short term monies from other institutions and local authorities at short notice.

In a 'stressed' case scenario whereby income is constrained further in the event of unexpected economic shocks and income recovering only very slowly, the PCC for Sussex has sufficient levels of reserves and investments that it would not run out of cash during 2025/26.

The forecasted cash flow as of 31 May 2026 shows that the Sussex PCC Group will have enough cash to continue operating as a going concern for the rest of 2025/26.

Going Concern Section 3 – Conclusion

The 2024/25 accounts have been prepared on a going concern basis, with the projected underspend and targets in 2025/26 within the level of general useable reserves and will produce a balanced budget in 2025/26.

Note 3 - 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.

The critical judgements made in the Statement of Accounts include judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on

historical experience and various other factors, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

- Calculating employee benefit accruals e.g. unused holiday, this is based on staff time records and an average cost for each grade.
- Costs of pension arrangements require estimates assessed by an independent qualified actuary regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS19 reporting are the responsibility of the Chief Constable as advised by their actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population (see Note 18 for details of the pension schemes in place for police officers and staff, see also the Police Pension Fund Account Statements towards the end of this document).
- A judgement has been made of the expenditure allocated between the PCC and Chief Constable's accounts to reflect financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined in accordance with the subjective activities for each corporate body included in the Comprehensive Income & Expenditure Account. In arriving at this approach, interested parties, including senior management in both corporate bodies were consulted and careful consideration given to the Police Reform and Social Responsibility Act 2011 and Home Office guidance.
- It has been judged that all working capital is attributable to the PCC. The PCC controls the treasury management function and all bank accounts, therefore no working capital balances (cash, current debtors and liabilities) are recognised in the Chief Constable's Balance Sheet.

Pensions Actuarial Assumptions

The value of the liabilities for IAS19 purposes is heavily dependent on assumptions made by the Group's actuaries, Government Actuaries Department (GAD) and Hymans Robertson. The financial assumptions reflect market expectations at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pension-in-payment) can have a significant effect on the value of the liabilities reported. A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude. The effect of a change in the net discount rate on the value placed on the liabilities of each scheme is shown in the sensitivity analysis schedule below.

There is also uncertainty around the life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in-payment. The mortality assumptions have changed from the previous accounting period to take account of recent mortality experience.

Pensions Impact of McCloud/Sargeant court of appeal

The McCloud and Sargeant judgements concerned the introduction of career average revalued earnings (CARE) pension schemes to replace the former final salary based pension schemes as part of the Hutton recommendation to reform public service pension schemes. Under the changes introduced to each scheme, members were required to transfer to the new schemes from the transition date of the new schemes, this was 1 April 2014 for the police staff scheme (LGPS) and 1 April 2015 for the Police pension scheme.

There was protection provided for older members under each scheme known as 'transitional protection'. The McCloud and Sargeant judgements have upheld the claimants' cases that the method of implementation of the new schemes discriminated against younger members. The government was refused leave to appeal the McCloud and Sargeant Judgements on 27 June 2019. This means various parties return to the respective employment tribunals to formulate a remedy which will resolve the age discrimination of the pension changes.

In respect of the Police pension schemes, a case management was held in October 2019 resulted in an Order including an interim declaration that 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. The Government later issued a Ministerial Statement on 25 March 2020 that non-claimants would also be treated in the same way. On 16 July 2020, HM Treasury issued a consultation on transitional arrangements for public sector pensions to eliminate discrimination identified via McCloud/Sargeant cases. This meant that members of the pension scheme on or before 31 March 2012 and remaining in service on 1 April 2015 will be eligible for the remedy.

On 4 February 2021, HM Treasury issued a response to the consultation confirming remedy arrangement requirements that were set out in the consultation with members being given a choice as to whether they retain benefits from their legacy pension scheme, or their new scheme, during the remedy period of 2015 to 2022 so as not to disadvantage any of those members. This choice will be deferred for members until retirement which creates further uncertainty of impact for employers. The legacy pension schemes will then be removed from April 2022 and replaced by the new pension schemes originally introduced in 2015 as it was only the transitional arrangements that were found to be discriminatory, not the actual new pension schemes.

IAS 19 pension actuarial reports include these impacts and provide for them within the 2024/25 accounts of the PCC Group for both police and staff pension schemes.

Insurance Actuarial Assumptions

The Chief Constable annually reviews the appropriateness of insurance funding. Independent actuaries Arthur J Gallagher Insurance brokers Ltd (AJG) undertook a review of the adequacy of our insurance claim provision and reserve. The review uses recognised actuarial techniques and generally accepted principles to forecast ultimate claims costs. All reviews are carried out by qualified actuaries in the core AJG team dedicated to the contract. The underlying assumptions and methodologies used in the reports are then peer-reviewed by a colleague independent to the core team.

Note 4 - Events After the Balance Sheet Date

When an event occurs after the Balance Sheet date which provides evidence of conditions that existed at the Balance Sheet date an adjusting event occurs and the amounts recognised in the Statement of Accounts will be adjusted to take into account any values that reflect the adjusting event. Where an event occurs after the Balance Sheet date that is indicative of conditions that arose after the Balance Sheet date, the amounts recognised in the Statement of Accounts are not adjusted but disclosed as a separate note to the accounts. Events after the Balance Sheet date are reflected up to the date when the Statement of Accounts is authorised for issue and published.

The Draft Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no material non-adjusted events to report.

Note 5 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Chief Constable's Balance Sheet for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two consulting actuaries (Hymans Robertson LLP and Government Actuary's Department) are engaged to provide the Group with expert advice about the assumptions to be applied.</p> <p>Pension assumptions include the impact of "McCloud/Sargeant" transitional protections for both officer and staff pension schemes to better reflect the Fund's local assumptions, particularly those for salary increases and withdrawal rates.</p> <p>The Fund's actuary also carried out calculations in order to estimate the impact that the Guaranteed Minimum Pension (GMP) equalisation will have on the pension fund liabilities.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate assumption would result in an increase in the staff scheme pension liability of £41.6m and an increase in the police officer pension scheme pension liability of £162m. However, the assumptions interact in complex ways. During 2024/25, the Chief's actuaries advised that the net pension liability had decreased in total by £249.8m as a result of revised actuarial assumptions.</p>

Pensions Costs	<p>There are three pension schemes for police officers, the 2006 Police Officer Pension Scheme (NPPS), the Police Pension Scheme (PPS) and the Police Pension Scheme 2015 (2015 scheme); all of which are unfunded, defined benefit schemes. An unfunded scheme treated as a defined benefit scheme has no investment assets to meet its pension liability the Chief Constable must generate cash to meet the actual pension payments as they fall due.</p>	<p>The benefits payable are funded by contributions from employers and police officers and any shortfall is met by a top up grant from the Home Office of £40.8m (£40.5m for 2023/24) and other Pension Grants to the PCC. Further details of the schemes can be found in the Police Officer Pension Fund Accounts at the end of these statements.</p>
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Note 6 - Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Chief Constable to meet future capital and revenue expenditure. All items are adjustments between the general fund and the unusable reserves.

2023/24			2024/25	
General Fund Balance	Movement in Unusable Reserves		General Fund Balance	Movement in Unusable Reserves
£000	£000		£000	£000
		Adjustments primarily involving the Pensions Reserve:		
(143,035)	143,035	Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(145,139)	145,139
97,284	(97,284)	Employers pension contributions and direct payments to pensioners payable in year	106,707	(106,707)
		Adjustment primarily involving the Accumulated Absences Account:		
(702)	702	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	(1,010)	1,010
		Roundings	1	(1)
(46,453)	46,453	Total Adjustments	(39,441)	39,441

Note 7 - Transfers to/from Earmarked Reserves

This note sets out the usable reserves and amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure during the year. All Earmarked Reserves belong to the PCC on behalf of the Group. The Chief Constable therefore had no Transfers to/from Earmarked Reserves during the year and had no Usable or Earmarked Reserve balances as at the year end. Movements in the Chief Constable's usable reserves as disclosed in the Chief Constable's Movement in Reserves Statement represent accounting movements only involving the total Comprehensive Income and Expenditure Account transactions in year and the corresponding adjustments between accounting basis and funding basis under regulations.

Note 8 - Financing and Investment Income and Expenditure

2023/24		2024/25
£000		£000
105,008	Net interest on the net defined benefit liability (asset)	106,632
105,008	Total	106,632

Note 9 - Taxation and Non-Specific Grant Income

The Chief Constable has no taxation.

2023/24		2024/25
£000		£000
0	Non ring-fenced government grants Redmond Review Local Audit Fees Grant	(8)
0	Total	(8)

Note 10 – Grant Income

The Chief Constable credited the following grants and contributions to the income line of the cost of services in the Comprehensive Income and Expenditure Statement:

2023/24		2024/25
£000		£000
(3,263)	PFI	(3,263)
(3,941)	Counter Terrorism	(4,542)
(138)	Collaboration with other Forces	0
(1,331)	Other Grants and Contributions	(1,792)
(300)	Assets Recovery Incentive Scheme	(604)
(8,973)	Total	(10,201)

Note 11 - Segmental Analysis of Income and Expenditure

The analysis of income and expenditure on the face of the Comprehensive Income and Expenditure Statement is based on a subjective analysis. The Chief Constable monitors expenditure during the year on a subjective basis, as set out below. This information is reported to the Chief Officer team on a month by month basis and used to inform resource allocation and other strategic decisions.

2023/24 £000	Description	2024/25 £000
	<i>Employee costs:</i>	
204,847	<i>Police Officers</i>	223,240
109,884	<i>Police Staff & PCSO's</i>	117,761
7,867	<i>Other Employee Costs (includes Ill Health & Injury Pension)</i>	8,611
322,598	Total Employee costs	349,613
14,179	Total Buildings & Premises	13,583
6,623	Total Transport	7,421
49,978	Total Supplies & Services and Third Party Payments	50,058
393,378	Gross Expenditure	420,674
(42,683)	Total Income	-45,008
1	Reconciling Man Accounts & Stat Fin Reporting	0
350,696	Chief Constable's Net Expenditure	375,667
1,892	Office of the Sussex PCC	1,955
1,771	Community Safety	1,858
224	Victim Support & Restorative Justice	-136
(133)	Violence Reduction Unit	-120
0	Video Enabled Justice	0
280	Non-Delegated income adjustment from Chief	0
11,958	Use of Reserves	18,381
195	Financial Provisions (Capital Financing and Treasury Management)	
16,187	PCC's Net Expenditure	21,938
366,883	Total Sussex Police Group	397,605

Reconciliation of Outturn from Budget report to Statement of Accounts

This reconciliation shows how the figures in the budget report detailing the management accounting outturn underspend position relate to the final position after year-end adjustments for the year ended 31 March 2025.

This reconciliation also shows how the figures in the budget report for cost of service per management revenue outturn relate to the subjective analysis of the (Surplus) or Deficit on the Provision of Services included within the Comprehensive Income and Expenditure Statement for the year ended 31 March 2025.

2024/25 Reconciliation of Outturn from Budget report to Statement of Accounts Subjective Analysis

2024/25 Segmental	2024/25 PCC £000	2024/25 CC £000	2024/25 GROUP £000
Initial Revenue outturn results per Outturn report	21,938	375,667	397,605
Budget Income from Home Office Grant and Local Taxation	(23,137)	-376,374	-399,511
(Surplus)/Deficit for the year as per Outturn report	(1,199)	(707)	(1,906)
Surplus transfer from Chief Constable to PCC	(707)	707	
Final transfer adjustments agreed in the Outturn report:			
Final Budget Outturn Position for the year	(1,906)	0	(1,906)
Financial year end accounting adjustments:			
Capital & Investment movements	(10,947)	0	(10,947)
Reserve Adjustments	1,024	0	1,024
Other Adjustment	2,405	0	2,405
Net Expenditure Chargeable to the General Fund as per EFA	(9,424)	0	(9,424)
Adjustments between accounting basis & funding basis under regulations	11,794	39,441	51,235
Deficit on Provision of Services per Comprehensive Income and Expenditure Statement	2,370	39,441	41,812
(Surplus) on revaluation of fixed assets	1,156	0	1,156
Re-measurements of the net defined benefit liability/(asset)	127	(288,281)	(288,154)
Rounding			
Total Comprehensive Income and Expenditure	3,653	(248,840)	(246,187)

2023/24 Reconciliation of Outturn from Budget report to Statement of Accounts Subjective Analysis

2023/24 Segmental	2023/24 PCC £000	2023/24 CC £000	2023/24 GROUP £000
Initial Revenue outturn results per Outturn report	15,992	350,891	366,883
Budget Income from Home Office Grant and Local Taxation	(12,145)	(359,876)	(372,021)
(Surplus)/Deficit for the year as per Outturn report	3,847	(8,985)	(5,138)
Surplus transfer from Chief Constable to PCC	(8,985)	8,985	
Final transfer adjustments agreed in the Outturn report:			
Final Budget Outturn Position for the year	(5,138)	0	(5,138)
Financial year end accounting adjustments:			
Capital & Investment movements	943	0	943
Reserve Adjustments	(3,705)	0	(3,705)
Other Adjustment	(141)	0	(141)
Net Expenditure Chargeable to the General Fund as per EFA	(8,041)	0	(8,041)
Adjustments between accounting basis & funding basis under regulations	8,713	46,453	55,166
Deficit on Provision of Services per Comprehensive Income and Expenditure Statement	672	46,453	47,125
(Surplus) on revaluation of fixed assets	7,998	0	7,998
Re-measurements of the net defined benefit liability/(asset)	2,418	156,793	159,211
Total Comprehensive Income and Expenditure	11,088	203,246	214,334

Note 12 - Unusable Reserves

31 March 2024 £000		31 March 2025 £000
2,493,083	Pension Reserve	2,243,234
5,861	Accumulated Absences Account	6,871
2,498,944	Total	2,250,105

31 March 2024 £000	Pension Reserve	31 March 2025 £000
2,290,539	Balance 1 April	2,2493,083
(53,763)	Re-measurements of the net defined benefit (liability)/asset	(371,364)
143,035	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	145,139
(97,284)	Employer's pensions contributions and direct payments to pensioners payable in the year	(106,707)
210,556	Asset Ceiling Adjustment	83,083
2,493,083	Balance 31 March	2,243,234

The Pensions Reserve reflects the timing adjustments arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions [Statutory Instrument No. 2010/454]. Post-employment benefits are accounted for in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised in line with inflation assumptions, 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 employer makes contribution to pension funds, or eventual payment of 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 set aside to meet them. The statutory arrangement will ensure that funding will have been set aside by the time the benefits come to be paid.

31 March 2024	Accumulated Absences Account	31 March 2025
£000		£000
5,159	Balance 1 April	5,861
(5,159)	Settlement or cancellation of accrual made at the end of the preceding year	(5,861)
5,861	Amounts accrued at the end of the current year	6,871
702	Amount by which officer remuneration charged to the CIES on an accruals basis differs to remuneration charged in year in accordance with statutory requirements	1,010
5,861	Balance 31 March	6,871

The Accumulated Absence Account reflects the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March each year. Statutory arrangements require that the impact on the General Fund Balance is offset by transfers to or from Account to mitigate the impact on Council Tax.

Note 13 - Collaboration Arrangements

The Police and Crime Commissioner and the Chief Constable for Sussex continues to develop joint working relationships with other agencies principally with other south east region Police and Crime Commissioners and in particular the Surrey Police and Crime Commissioner and Chief Constable.

The Police and Crime Commissioners and Chief Constables of Sussex and Surrey Police have entered into a legal arrangement (section 22A agreement) to provide a number of services jointly with other police forces. Each of these services is managed by one of the forces and includes a mix of staff from both forces. The net cost of each service agreed to be provided jointly under the Section 22A agreement, which cannot be directly attributable to each force, are shared on a formula basis of Surrey 45%; Sussex 55%.

In 2024/25 the services provided jointly, included the Operations and Specialist Crime departments along with a number of support functions and projects.

Each Force accounts for their share of total income and expenditure and assets in the Comprehensive Income and Expenditure Statement and Balance Sheet respectively.

The table below illustrates the Sussex share of the collaborated service costs.

2023/24 Sussex Share £000	Collaboration Area	2024/25 Sussex Share £000
8,271	Commercial and Finance Services	11,204
2,806	Corporate Services	3,442
	Criminal Justice & Custody	
15,245	Digital, Data and Technology	16,391
3	Enterprise Resource Planning	316
23,268	Operations & Protective Security	24,417
5,107	People Services	5,873
28,189	Specialist Crime	30,423
82,889	Total	92,066

Note 14 - Officers' Remuneration

The Accounts and Audit Regulations 2015 requires the disclosure of remuneration details for police officers and police staff whose gross remuneration exceeded £50,000. In addition, remuneration details for senior employees, those earning a salary of over £150,000 and those in command of the Chief Constable of Sussex organisations are also required to be separately disclosed as 'Remuneration Paid to Senior Employee is defined, by the regulations, as all sums subject to income tax, including expenses, but excluding employer pension contributions. This includes payments of accrued overtime, as well as annual increments, allowances, bonuses and pay awards.

The table below shows the numbers of police officers and police staff with remuneration in excess of £50,000. This table excludes the senior employee positions shown separately.

Gross Remuneration £	Number of employees 31 March 2024	Number of employees 31 March 2025
50,000-54,999	600	719
55,000-59,999	385	496
60,000-64,999	215	238
65,000-69,999	120	168
70,000-74,999	32	72
75,000-79,999	15	24
80,000-84,999	18	11
85,000-89,999	3	5
90,000-94,999	8	10
95,000-99,999		10
100,000-149,999	3	4
150,000-199,999		1
	1,399	1,758

Exit package amounts are not included in the figures shown in the table above.

Details of Chief Officer personal expenses claims are available on the Sussex Police website

In line with Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328) the Chief Constable has an obligation to report annually on paid time off provided to trade union representatives for trade union duties and activities. The following details relate to 2024/25. There were 11 employees who were union officials during the period (9.51 full time equivalents). The total cost of facility time was £162,253.05 which represents 0.14% of the total pay bill.

Remuneration paid to senior employees during 2024/25

YEAR 24-25	Note	Salary, fees and allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration including Pension contributions	* Annual Leave Accrual	* Pension Accrual	Total	
		£000	£000	£000	£000	£000	£000	£000	
Police Officers									
Chief Constable (J SHINER)	1	154,858	19,620	52,516	226,995			226,995	Note 1 Retire 31-08-24,
Chief Constable (J SHINER)	1	113,311			113,311			113,311	Note 1 Rejoin 01-10-24
Temp Chief Constable (D MCCLAREN)	2	17,186		4,521	21,708			21,708	Note 2 Temp Prom 01-09-24 - 30-09-24
Dep Chief Constable (D MCCLAREN)	2	154,183		50,770	204,953	7		204,960	
Asst Chief Constable		120,112		40,052	160,164	3		160,167	
Asst Chief Constable		130,131		41,729	171,860	1		171,861	
Asst Chief Constable	3	73,543	4,938	23,798	102,279			102,279	Note 3 Retired 30-09-24
Asst Chief Constable	4	147,593		47,016	194,609			194,609	Note 4 On secondment - ends 31-03-25
Asst Chief Constable	5	18,349		5,993	24,341			24,341	Note 5 Temp Prom 30-09-24 - 24-11-24
Asst Chief Constable	6	9,422		3,246	12,668			12,668	Note 6 Temp Prom until 12th May 2024
Chief Superintendent		110,226		38,066	148,292	8		148,300	
Chief Superintendent		110,035		38,066	148,101	1		148,102	
Chief Superintendent		109,836		38,066	147,902	7		147,909	
Chief Superintendent		109,836		38,066	147,902	4		147,906	Note 7 Promotion 5th March 25
Chief Superintendent		103,458		35,632	139,091	8		139,099	
Chief Superintendent	7	7,370		2,552	9,922	8		9,930	
Chief Superintendent		108,483		37,577	146,060			146,060	
Chief Superintendent		102,316		35,398	137,714			137,714	

Chief Superintendent	8	57,645	2,367	19,768	79,780			79,780	Note 8 Retire 29-10-24, Rejoin 03-12-24
Chief Superintendent	6	102,577		35,584	138,161			138,161	
Chief Superintendent		104,976		35,361	140,337	6		140,343	
Chief Superintendent		101,920		35,272	137,192	8		137,200	
Chief Superintendent	9	14,408		4,986	19,393	8		19,401	Note 9 Temp Promotion 10-02-25
Chief Superintendent	10	59,335		20,512	79,846			79,846	Note 10 Promotion 01-09-24
Chief Superintendent		101,435		35,076	136,511	2		136,513	
Chief Superintendent	8	34,404		11,913	46,317			46,317	
Chief Superintendent	5	95,561		27,975	123,536	8		123,544	
Chief Superintendent	11	109,413		37,189	146,602			146,602	Note 11 On Secondment
Chief Superintendent	12	105,987		35,639	141,625			141,625	Note 12 On Secondment
Police Staff									
Asst Chief Officer - People Services Portfolio Director		144,292		25,173	169,465	7		169,472	
Chief Finance Officer (P APPLETON)		157,564		28,022	185,585	5		185,590	
Total		2,889,763	26,925	885,533	3,802,221	91	0	3,802,312	

*IFRS adjustment for untaken Annual Leave and related pension contributions accrued under IAS19 Employee Benefits
** There have been no relocation costs in 2024/25

Police and Crime Commissioner									
Police and Crime Commissioner		90,146		16,745	106,891			106,891	
Chief Executive		133,711		25,173	158,884	7		158,891	
Chief Finance Officer		121,272		22,781	144,053	1		144,054	

		345,128	0	64,699	409,827	8	0	409,835

3,234,891	26,925	950,233	4,212,048	99	0	4,212,147
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Remuneration paid to senior employees during 2023/24

Year 2023/24	Note	Salary, fees and allowances	* Relocation	* Bonus	Employer Pension Contribution	Total Remuneration including Pension contributions	* Annual Leave Accrual	* Pension Accrual	Total	
		£000	£000	£000	£000	£000	£000	£000	£000	
Police Officers										
Chief Constable (J SHINER)		191			33	224	8		232	Note 1, Retired 17-06-23
Deputy Chief Constable 1	1	56			0	56			56	Note 2, Leaver 10-01-24
Deputy Chief Constable 2		158			45	203	8		211	Note 3, Joiner 08-01-24
Assistant Chief Constable 1		139			39	178			178	Note 4, Secondment 01-04-23
Assistant Chief Constable 2		114			35	149	4		153	Note 5, Promotion 25-09-23
Assistant Chief Constable 3	2	97			30	127			127	Note 6, Promotion 01-07-23
Assistant Chief Constable 4		138			39	177	8		185	Note 7, Leaver 01-09-23
Assistant Chief Constable 5	3	29			8	37	5		42	Note 8, Leaver 23-03-24
Chief Superintendent		101			31	132	5		137	Note 9, Promotion 31-07-23
Chief Superintendent	4	96			29	125			125	Note 10, Promotion 19-06-23
Chief Superintendent	5	93			28	121			121	Note 11, Promotion 18-09-23
Chief Superintendent		101			31	132			132	Note 12, Promotion 02-10-23
Chief Superintendent		98			29	127			127	Note 13, Leaver 13-04-23
Chief Superintendent	6	97			28	125	9		134	
Chief Superintendent	7	41			12	53			53	
Chief Superintendent	8	113			30	143			143	
Chief Superintendent		98			30	128	7		135	
Chief Superintendent		97			30	127	8		135	
Chief Superintendent	9	91			28	119			119	
Chief Superintendent		101			31	132	5		137	
Chief Superintendent		103			31	134	1		135	
Chief Superintendent		115			29	144	1		145	
Chief Superintendent	10	93			28	121			121	
Chief Superintendent	11	96			29	125	8		133	
Chief Superintendent	12	55			17	72	3		75	
Police Staff										
Exec Dir Commercial & Finance		101			19	120			120	
ACC People Services Director		137			25	162	7		169	
Programme Director - SERIP	13	15		26	0	41			41	
Total		2,764	0	26	744	3,534	87	0	3,621	

Note 15 - Exit Packages

The 2024/25 Code requires disclosure of the number and cost of exit packages agreed, including:

- Number of packages agreed (in bands of £20k up to £100k and £50k thereafter)
- Analysis between compulsory redundancies and "other" agreed departures
- Total cost for each band

Exit Packages for the year ended 31 March 2025

Exit package cost band (including special payments)	Number of compulsory redundancies	Number of other agreed departures	Total number of exit packages by cost band	Total Cost of exit packages in each band
Year 2024/25	No.	No.	No.	£
£0 - £20,000	2	0	2	14,809
£20,001 - £40,000	1	0	1	26,239
£40,001 - £60,000	0	1	1	48,000
£60,001 - £80,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,001 - £150,000	1	0	1	116,538
Total	4	1	5	205,586

Exit Packages for the year ended 31 March 2024

Exit package cost band (including special payments)	Number of compulsory redundancies	Number of other agreed departures	Total number of exit packages by cost band	Total Cost of exit packages in each band
Year 2023/24	No.	No.	No.	£
£0 - £20,000	4	0	4	70,142
£20,001 - £40,000	3	0	3	67,892
£40,001 - £60,000	1	0	1	52,460
£60,001 - £80,000	1	0	1	68,225
£80,001 - £100,000	1	0	1	94,467
Total	10	0	10	353,186

Two of the above exit package disclosures for the year ended 31 March 2025 within the £20,001-£40,000 and £100,001-£150,000 bands reflect pension strain amounts agreed and paid in 2024/25.

The total cost of exit packages included in the tables above have been charged to the Comprehensive Income and Expenditure Statement of the Police and Crime Commissioner for Sussex Group in the current year.

Note 16 - External Audit Costs

The Chief Constable incurred the following costs in relation to the audit of the Statement of Accounts services provided by external auditors to the Chief Constable:

2023/24	2024/25
£000	£000
54	61
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	
Prior year Audit costs	
PSAA Refund	
54 Total	61

Note 17 - 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 readers to assess the extent to which the Chief Constable might have been constrained in her ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

Officers of the Police and Crime Commissioner for Sussex and Chief Constable of Sussex

Officers of the Police and Crime Commissioner have direct control over financial and operating policies.

Details of all related party transactions are recorded in the Register of Members' Interest. Officers and Chief Officers of the Force and the Police and Crime Commissioner are required to declare whether they or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the Police and Crime Commissioner for Sussex and or the Chief Constable's Force during the financial year.

The Chief Executive has written to all Officers and Chief Officers of the Force and the Police and Crime Commissioner to collect this information. Responses were received from all recipients of the letter and related party transactions are disclosed for the 2023/24 year in respect of Legal services and the Police and Crime Commissioner.

Legal services were provided to the Sussex Police Group of circa £2,361,908 (2023/24: £1,659,200) by Weightmans LLP Solicitor in the normal course of business during the year, Ms Hannah Walsh (Solicitor to the Sussex Police Group from 1 April 2017) is employed by Weightmans LLP.

The Police and Crime Commissioners and Chief Constables of Sussex, Surrey Police, Hampshire Constabulary and Thames Valley Police signed a Section 22 Agreement that set out the proposed approach to the national and regional programme for police collaboration and transformation for the South East Regional Integration Partnership (SERIP). The total net spend for 2024/25 was £0 (2023/24: £2,720).

The Police and Crime Commissioner for Sussex, Katy Bourne is the Chair for Sussex Criminal Justice Board and a Board Member of Association of Police & Commissioners (APCC) and NPCC Audit and Assurance Board. No financial transactions were found with any of these.

Chief Constable of Sussex is the Trustee of Road Safety Trust, Board member of National Police Chiefs Council and Chair of Road Safety Advisory Group (Highways England led). No financial transactions were found with any of these. The Police and Crime Commissioners and Chief Constables of Sussex, Surrey Police, Hampshire Constabulary and Thames Valley Police signed a Section 22 Agreement that set out the proposed approach to the national and regional programme for police collaboration and transformation for the South East Regional Organised Crime Unit (SEROUCU).

Central Government and Other Public Organisations

The Police and Crime Commissioner also has business relationships with the Government and several other public organisations, such as some local authorities in Sussex.

These include the Home Office, the Department for Communities and Local Government, and West Sussex and East Sussex County Councils.

Note 18 - Defined Benefit Pension Scheme

18.1 Police Officers: Non Funded Pension Schemes

As part of the terms and conditions of employment of its officers, retirement benefits are offered. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments. In line with IAS 19 'Employee Benefits', the value of this commitment needs to be disclosed based on a forecast calculation as at the date officers earn their future entitlement.

The Group participates in three pension schemes for Police officers:

- Police Pension Scheme (PPS) (pre 1 April 2006)
- New Police Pension Scheme (NPPS) (post 1 April 2006)
- Police Pension Scheme 2015 (the 2015 scheme) (post 1 April 2015)

The schemes are defined benefit statutory schemes, administered in accordance with the Police Pensions Regulations 1987 (as amended), the New Police Pension Scheme Regulations 2006 and the Police Pensions Regulations 2015. The schemes were contracted out of the State Second Pension, but this ceased in the scheme on 5 April 2016.

The police officer pension schemes are, by law, non-funded schemes which are treated as defined benefit schemes. This 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 amounts receivable by the pensions fund for the year is less than the amounts received, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by Central Government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group which then must repay the amount to central government.

There are currently 4,215 (2023/24: 4,120) pensioners and this number will increase. Police officers are entitled to retire after 30 years of service or at age 55 if earlier for members of the PPS, age 55 for members of the NPPS and age 60 in the 2015 scheme, and to receive a pension and a lump sum, which the Group is obliged, by law, to pay.

Police Pension Scheme calculations for 2024/25 show the present value of the Defined Benefit Obligation and projected pension expense for the year have increased over the year.

Benefit changes

From 1 April 2015 the new benefit structure came into effect for the Police Pension Scheme. All active members on that date were moved into the new scheme from 1 April 2015 unless they qualified for protections that allowed them to remain in their previous scheme. These changes were taken into account in the prior year Statements of Account within the balance sheet, revenue account disclosures and projected

pension expense for the following financial year. The McCloud judgement declared this to fall within age discrimination legislation and has since been adjusted for in the accounts for the year ending 31 March 2025.

Asset Ceiling Adjustment

IAS 19 Accounting standard restricts (by way of an “asset ceiling”) the amount of accounting surplus that the Chief Constable may be able to disclose at 31 March 2025 in the Balance Sheet. The asset ceiling adjustment of £293,639k reduces the reported value of the pension asset, and the amount is defined as the “present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the defined plan.

Present value of agreed past service contributions has been calculated to be £9,947k

These agreed past service contributions (£9,947k) have been committed to be paid to the Fund and are added to the net asset position. This position is then compared against the economic benefit available as a reduction in future contributions to determine if there is an additional liability to recognise.

2023/24	Balance sheet	2024/25
CC LGPS		CC LGPS
£000		£000
668,334	Fair value of plan assets	692,134
(469,520)	Present value of funded obligations	(408,442)
(210,556)	Effect of the asset ceiling	(293,639)
(481)	Present value of unfunded obligations	(377)
(12,223)	Net asset / (liability)	(10,324)

As the economic benefit available as a reduction in future contributions is lower, there is an additional liability to recognise and an adjustment of £293,639,000 is required to the Net Asset / Liability for the effect of the asset ceiling.

McCloud / Sargeant judgement

The Chief Constable of Sussex, along with other Chief Constables and the Home Office, currently has a number of claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015.

The McCloud and Sargeant judgements concerned the introduction of career average revalued earnings (CARE) pension schemes to replace the former final salary based pension schemes as part of the Hutton recommendation to reform public service pension schemes. Under the

changes introduced to each scheme, members were required to transfer to the new schemes from the transition date of the new schemes, this was 1 April 2014 for the police staff scheme (LGPS) and 1 April 2015 for the Police pension scheme.

There was protection provided for older members under each scheme known as 'transitional protection'. The McCloud and Sargeant judgements have upheld the claimants' cases that the method of implementation of the new schemes discriminated against younger members. The government was refused leave to appeal the McCloud and Sargeant Judgements on 27 June 2019. This means various parties return to the respective employment tribunals to formulate a remedy which will resolve the age discrimination of the pension changes.

In respect of the Police pension schemes, a case management was held in October 2019 resulted in an Order including an interim declaration that 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. The Government later issued a Ministerial Statement on 25 March 2020 that non-claimants would also be treated in the same way. On 16 July 2020, HM Treasury issued a consultation on transitional arrangements for public sector pensions to eliminate discrimination identified via McCloud/Sargeant cases. This meant that members of the pension scheme on or before 31 March 2012 and on or after 1 April to be eligible for the remedy.

On 4 February 2021, HM Treasury issued a response to the consultation confirming remedy arrangement requirements that were set out in the consultation with members being given a choice as to whether they retain benefits from their legacy pension scheme, or their new scheme, during the remedy period of 2015 to 2022 so as not to disadvantage any of those members. This choice will be deferred for members until retirement which creates further uncertainty of impact for employers. The legacy pension schemes will then be removed from April 2022 and replaced by the new pension schemes originally introduced in 2015 as it was only the transitional arrangements that were found to be discriminatory, not the actual new pension schemes.

IAS 19 pension actuarial reports include these impacts and provide for them within the 2024/25 accounts of the PCC Group for both police and staff pension schemes.

18.2 Police Staff: Funded Defined Benefit Pension Schemes

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

The Group participates in the Local Government Pension Scheme (LGPS) which provides pensions and other benefits to staff other than police officers. This scheme is open to staff under the control of the Chief Constable and also to staff within the Office of the Police and Crime Commissioner for Sussex.

The LGPS is a funded career average scheme (previously defined benefit final salary scheme), meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The cost of pensions and other benefits is provided from the West Sussex County Council's Pension Fund, other than the cost arising from the award of added years under the Local Government (Compensation for Premature Retirement) Regulations 1982.

The Police Staff Pension Scheme is part of the Local Government Pension Scheme administered by West Sussex County Council in accordance with the Local Government Pension Scheme Regulations 2013. There are 1,870 (2022/23: 1,705) pensioners paid for by the Chief Constable LGPS scheme. Police staff employee contributions are based on a banding system and range from 5.5% to 12.5% depending on salary levels. Sussex Police contributed a further 18.9% of pensionable pay (2023/24: 19.9%).

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data. The last triennial valuation of the Fund was carried out as at 31 March 2022.

The accounting balance sheet position as at 31 March 2025 and the projected charge to the Comprehensive Income and Expenditure account for 2024/25 are based on a roll forward from the 2022 formal valuation.

In the period to the Accounting Date, investment returns have been significantly greater than expected (compared to last year's accounting discount rate assumption). All else being equal, this will lead to a large positive item in 'Return on assets excluding amounts included in net interest' line within the Balance Sheet of the Results Schedule.

The pension expense for the period to 31 March 2025 and the projected pension expense for the year to 31 March 2026 allow for the LGPS career average revalued earnings (CARE) benefit design.

Further information can be found in the West Sussex County Council pension funds annual report, available from West Sussex County Council, Exchequer Services (Pensions), County Hall, Chichester, West Sussex, P019 1RG. www.westsussex.gov.uk

18.3 Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge we are 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 General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

The following tables illustrate pension transactions relating to post-employment benefits for all pension schemes operated by the Chief Constable.

2023/24				2024/25		
CC LGPS	Police Officer Pensions	Total		CC LGPS	Police Officer Pensions	Total
£000	£000	£000		£000	£000	£000
Comprehensive Income and Expenditure Statement						
Cost of Services						
			Service cost comprising:			
15,998	21,710	37,708	Current service cost	15,101	23,300	38,401
319	0	319	Past service cost	106	0	106
			(Gain) / loss from curtailments			
(29,127)	0	(29,127)	Financing and Investment Income and Expenditure	(32,636)	0	(32,636)
22,005	112,130	134,135	Net interest expense	22,978	116,290	139,268
9,195	133,840	143,035	Total charged to Deficit on Provision of Services	5,549	139,590	145,139

2023/24				2024/25		
CC LGPS	Police Officer Pensions	Total		CC LGPS	Police Officer Pensions	Total
£000	£000	£000		£000	£000	£000
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement						
			Re-measurement of the net defined benefit liability comprising:			
(20,891)	0	(20,891)	Return on plan assets (excluding the amount included in the net interest expense)	19,052	0	19,052

14,903	37,550	52,453	Actuarial gains and losses - experience	(4,419)	(5,750)	(10,169)
(2,881)	0	(2,881)	Actuarial gains and losses arising on changes in demographic assumptions	(819)	(3,520)	(4,339)
(32,064)	(50,380)	(82,444)	Actuarial gains and losses arising on changes in financial assumptions	(87,218)	(288,690)	(375,908)
0	0	0	Changes in Asset Ceiling Reversal	(210,556)	0	(210,556)
210,556	0	210,556	Asset Ceiling Adjustment	293,639	0	293,639
169,623	(12,830)	156,793	Total charged to Other CIES	9,679	(297,960)	(288,281)
178,818	121,010	299,828	Total charged to the CIES	15,228	(158,370)	(143,142)

2023/24			Movement in Reserves Statement	2024/25		
CC LGPS £000	Police Officer Pensions £000	Total £000		CC LGPS £000	Police Officer Pensions £000	Total £000
(9,195)	(133,840)	(143,035)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(5,549)	(139,590)	(145,139)
			Actual amount charged against the general fund balance for pensions in the year:			
16,994	80,290	97,284	Employers' contributions payable to scheme	17,127	89,580	106,707
7,799	(53,550)	(45,751)	Total Pensions Adjustments between Accounting and Funding Basis in year	11,578	(50,010)	(38,432)

2023/24			Pensions Assets and Liabilities Recognised in the Balance Sheet	2024/25		
CC LGPS £000	Police Officer Pensions £000	Total £000		CC LGPS £000	Police Officer Pensions £000	Total £000

(470,001)	(2,480,860)	(2,950,861)	Present value of the defined obligation	(408,819)	(2,232,910)	(2,641,729)
668,334	0	668,334	Fair value of plan assets	692,134	0	692,134
(210,556)	0	(210,556)	Asset Ceiling Adjustment	(293,639)	0	(293,639)
(12,223)	(2,480,860)	(2,493,083)	Net (liability) / asset arising from the defined benefit obligation	(10,324)	(2,232,910)	(2,243,234)

2023/24			Movement in the Value of Scheme Assets	2024/25		
CC LGPS £000	Police Officer Pensions £000	Total £000		CC LGPS £000	Police Officer Pensions £000	Total £000
608,186	0	608,186	Opening fair value of scheme assets	668,334	0	668,334
29,127	0	29,127	Interest income	32,636	0	32,636
0	0	0	Re-measurement gain / (loss):			
			- Actuarial gains / (losses) - experience	0	0	0
20,891	0	20,891	- The return on plan assets, excluding the amount included in the net interest expense	(19,052)	0	(19,052)
16,946	80,290	97,236	Contributions from employer	17,085	89,580	106,665
5,485	16,260	21,745	Contributions from employees into the scheme	5,884	17,270	23,154
0	210	210	Transfers in	0	80	80
0	0	0	Transfers out	0	0	0
(12,301)	(96,760)	(109,061)	Benefits / transfers paid	(12,753)	(106,930)	(119,683)
668,334	0	668,334	Closing value of scheme assets	692,134	0	692,134

2023/24			Movements in the Fair Value of Scheme Liabilities	2024/25		
CC LGPS £000	Police Officer Pensions £000	Total £000		CC LGPS £000	Police Officer Pensions £000	Total £000
(458,585)	(2,440,140)	(2,898,725)	Opening balance at 1 April	(470,001)	(2,480,860)	(2,950,861)

(15,998)	(21,710)	(37,708)	Current service cost	(15,101)	(23,300)	(38,401)
(22,005)	(112,130)	(134,135)	Interest cost	(22,978)	(116,290)	(139,268)
(5,485)	(16,260)	(21,745)	Contributions from scheme participants	(5,884)	(17,270)	(23,154)
			Re-measurement gains and losses:			
(14,903)	(37,550)	(52,453)	- Actuarial gains / (losses) - experience	4,419	5,750	10,169
2,881	0	2,881	- Actuarial gains / (losses) from changes in demographic assumptions	819	3,520	4,339
32,064	50,380	82,444	- Actuarial gains / (losses) from changes in financial assumptions	87,218	288,690	375,908
(319)	0	(319)	Past service cost	(106)	0	(106)
0	0	0	Gains / (losses) on curtailments	0	0	0
0	(210)	(210)	Transfers in	0	(80)	(80)
48	0	48	Unfunded benefit paid	42	0	42
0	0	0	Transfers out	0	0	0
12,301	96,760	109,061	Benefits / transfers paid	12,753	106,930	119,683
0	0	0	Rounding	0	0	0
(470,001)	(2,480,860)	(2,950,861)	Balance as at 31 March	(408,819)	(2,232,910)	(2,641,729)

The liabilities show the underlying commitments that the Chief Constable has in the long run to pay post-employment (retirement) benefits. The total liability of £2,243m (2023/24: £2,493m) has a substantial impact on the net worth of the Group as recorded in the Balance Sheet.

However, the pension liability is mitigated as follows:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (before payments fall due), as assessed by the scheme actuary; and
- Finance is only required to be raised to cover police pensions when the pensions are actually paid

Future estimated costs

The Pension Actuary's report includes an assessment of contributions and expected charges for the next financial year. The total employer contributions expected to be made by the Chief Constable to the Local Government Pension Scheme in the year to 31 March 2026 is £16,180m.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Schemes have been assessed by Government

Actuary's Department (GAD). The West Sussex County Council Fund (Local Government Pension Scheme) liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the West Sussex County Council Fund being based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary are illustrated in the following table:

	Local Government Pension Scheme		Police Pension Schemes	
	2023/24	2024/25	2023/24	2024/25
Investment returns: The return on the Fund in market value terms is estimated based on actual Fund returns. Total Fund Returns from April to March	8.2%	2.0%	0.0%	0.0%
Mortality assumptions: Longevity at 65 for current pensioners:				
• Men	21.0 years	20.9 years	21.9 years	21.9 years
• Women	24.0 years	23.9 years	23.6 years	23.9 years
Longevity at 65 for future pensioners:				
• Men	22.0 years	21.9 years	23.6 years	23.3 years
• Women	25.6 years	25.5 years	25.1 years	25.2 years
Rate of inflation	3.10%	3.05%	2.60%	2.70%
Rate of increase in salaries	4.25%	4.25%	3.85%	3.45%
Rate of increase in pensions	2.75%	2.75%	2.60%	2.70%
Rate for discounting scheme liabilities	4.85%	5.80%	4.75%	5.65%
CARE Revaluation Rate (CPI Prior year)	2.95%	2.75%	3.85%	3.95%

The Police Pension Scheme arrangements have no assets to cover its liabilities. The last full valuation of the scheme was carried out as at 31 March 2025. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

31 March 2024 £000	31 March 2024 %	CC Local Government Pension Scheme Assets	31 March 2025 £000	31 March 2025 %
		Equity Securities:		
0	0%	Consumer	0	0%
0	0%	Manufacturing	0	0%
0	0%	Energy and Utilities	0	0%
0	0%	Financial Institutions	0	0%
0	0%	Health and Care	0	0%
0	0%	Information Technology	0	0%
0		Other	0	0%
		Debt Securities:		
0	0%	UK Government	0	0%
		Private Equity:		
19,962	3%	All	23,181	3%
		Real Estate:		
55,138	8%	UK Property	58,578	8%
		Investment Funds and Unit Trusts:		
334,829	50%	Equities	338,905	49%
192,875	29%	Bonds	206,372	30%
31,807	5%	Infrastructure	32,813	5%
26,047	4%	Other	27,374	4%
	0%	Cash & Cash Equivalents:	0	0%
7,676	1%	All	4,911	1%
668,334	100%		692,134	100%

History of Experience Gains and Losses

The actuarial gains identified as movements on the Pensions Reserve in 2024/25 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2025.

Local Government Pension Scheme

	CC 2022/23	CC 2023/24	CC 2024/25
	%	%	%
Differences between expected and actual return on assets	(5.7%)	3.1%	(2.8%)
Experience gains and (losses) on liabilities	(15.4%)	(3.2%)	1.1%

Police Pension Scheme

	CC 2022/23	CC 2023/24	CC 2024/25
Experience gains and (losses) on liabilities	%	%	%
Combined Schemes	(7.86%)	(1.51%)	0.26%

Sensitivity Analysis - IAS19 requires the disclosure of the sensitivity of the pension results to the methods and assumptions used.

Police Officer Pension Schemes: The sensitivities regarding the principal assumptions used to measure the Police officer scheme defined benefit obligation are set out below:

Police Pension Schemes Change in financial assumptions at year ended 31 March 2025	Approximate % impact on Defined Benefit Obligation	Approximate monetary amount £000
0.5% increase in Real Discount Rate	-7.5%	(162,000)
1 year decrease in member life expectancy	2.5%	52,000
0.5% increase in the Salary Increase Rate	1.0%	20,000
0.5% increase in the Pensions Increase Rate (CPI)	7.0%	161,000

Staff Pension Scheme:

The sensitivities regarding the principal assumptions used to measure the scheme liabilities for the Local Government Pension Scheme for staff are set out in the following table:

LGPS Change in financial assumptions at year ended 31 March 2025	2024/25 %	2024/25 £000
0.1% decrease in Real Discount Rate	2%	8,312
0.1% increase in the Salary Increase Rate	0%	271
0.1% increase in the Pensions Increase Rate (CPI)	2%	8,273

All Pension charges and the Pension Top Up Grant for the current year are summarised as follows:

2024/25 Total Chief Pension CIES Movements	Cost of Services	Cost of Service	(Surplus)/Deficit Provision of Services	(Surplus)/Deficit Provision of Services	Other Comprehensive I&E	MIRS	MIRS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Police Services	Non Distributed Costs	Financing & Investment I&E	Taxation and Non-Specific Grant Income	Actuarial (gains)/losses on assets/liabilities	Transfer to Reserve	Adjustments between accounting basis & funding basis under regulations
• current service costs	38,401	0	0	0	0	0	0
• past service costs	0	106	0	0	0	0	0
• interest cost	0	0	139,268	0	0	0	0
• interest income on plan assets	0	0	(32,636)	0	0	0	0
• actuarial (gains) and losses	0	0	0	0	(371,364)	371,364	0
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	0	0	0	0	0	0	(145,139)
• employers' contributions payable to scheme	(17,127)	0	0	0	0	0	17,127
• retirement benefits payable to pensioners	(89,580)	0	0	0	0	0	89,580
• Asset Ceiling Adjustment	0	0	0	0	83,083	(83,083)	0
Sub-total	(68,306)	106	106,632	0	(288,281)	288,281	(38,432)
• pension top up grant	40,767	0	0	0	0	0	0
Total Pension Charges	(27,539)	106	106,632	0	(288,281)	288,281	(38,432)
TOTAL	79,199				(288,281)	249,849	

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments to contracted-out defined benefit schemes were invalid unless accompanied by the appropriate actuarial confirmation. This judgment has now been upheld by the Court of Appeal. The Local Government Pension Scheme is a contracted-out defined benefit scheme, and amendments were made between 1996 and 2016 that may affect member benefits.

Work is being carried out by the Government Actuary's Department, as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed; however, at the date of these financial statements, the full assessment is not complete. Until this analysis is concluded, we are unable to determine whether there is any impact on the liabilities or if it can be reliably estimated. As a result, SPCC does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Note 19 - Contingent Liabilities

Although the accounts include (through the establishment of provisions and creditors) known liabilities faced by the Chief Constable at 31 March 2025, they exclude potential costs where the liability is not yet established and/or the amounts are uncertain.

At 31 March 2025, the Chief Constable of Sussex has no known contingent liabilities.

Note 20 - Accounting Policies

General Principles

The Statement of accounts summarises the organisation's transactions for the financial year and its position at the year-end of 31 March. The organisation is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The financial statements have been prepared in accordance with the Code, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and reviewed by the Financial Reporting Advisory Board (FRAB). The Code is based on approved accounting standards issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements. The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board (IPSAS) and the UK Accounting Standards Board (ASB) where these provide additional guidance.

Following the passing of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner for Sussex (PCC) and the Chief Constable of Sussex (CC) were set up as two 'corporation sole' bodies. Both bodies are required to prepare separate Statement of Accounts.

The Financial Statements (Statement of accounts) included here represent the accounts of the Chief Constable of Sussex as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service, England and Wales 2012. The accounts cover the 12 months to 31 March 2025.

The Police Reform and Social Responsibility Act 2011 (Transitional Provision) Order 2013 allows the same provisions of the Local Government Act 2003 for financial arrangements to apply in relation to the Chief Constable as they apply in relation to a local authority.

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

Fundamental Accounting Policies

The Statement of Accounts has been prepared in accordance with the following accounting concepts and principles:

Accruals – the accrual basis of accounting establishes that the non-cash effects of transactions are reflected in the accounting period in which those effects occur, even if the resulting cash receipts and payments occur in a different period.

Going Concern – the Accounts have been prepared on the assumption that the functions of the Chief Constable will continue in operational existence for the foreseeable future. This means in particular that the Comprehensive Income and Expenditure Statement and Balance Sheet assume no intention to curtail significantly the scale of operation.

Understandable – to ensure that the Statements of Accounts produced can be understood by readers who have a reasonable knowledge of business and economic activities.

Relevance – to ensure that the information provided about the Chief Constable’s financial position, performance and cash flow is useful for assessing stewardship of public funds and for making economic decisions.

Materiality – provides a threshold or cut-off point to ensure that the information included in the Financial Statements is of such significance as to justify its inclusion. Omissions or misstatements of items are material if they could, individually or collectively, influence users decisions or assessment of the Financial Statements.

Reliability – to ensure that the financial information provided accurately reflects the substance of the transactions and other events that have taken place.

Comparability – the information contained in the Financial Statements has been prepared so that it can be readily compared with similar information about the same entity for different accounting periods and with similar information about other entities.

Primacy of Legislative Requirements – the PCC and CC derives powers from statute and the financial and accounting framework is closely controlled by primary and secondary legislation. Where specific legislative requirements and accounting principles conflict, the legislative requirement is applied. However, the Code deals with such conflicts by showing the position required by the Code’s accounting requirements in the Comprehensive Income and Expenditure Statement, and the effect of the legislative requirements in the Movement in Reserves Statement.

The following sections set out the Chief Constable’s principal accounting policies that have been reviewed and adopted in 2023/24.

Income & Expenditure Recognition

Revenue (Income) is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods or services provided in the normal course of business less discounts and VAT.

Revenue is recognised when goods are delivered and title has passed. The provision of services contains many accounting aspects and revenue is only recognised when all related work has been completed or when the percentage of completion of the transaction can be reliably measured and it is probable that economic benefits or service potential associated with the transaction will flow to the PCC. Whilst all income is received by the PCC and all expenditure is paid for by the PCC including wages of police staff and officers, the actual recognition in the respective Police and Crime Commissioner and Chief Constable Accounts is based on economic benefit.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date on which supplies are received and when they are consumed, they are carried as inventories or stocks on the Balance Sheet.

Income and Expenditure are credited and debited to the relevant revenue account, unless they properly represent capital receipts or capital expenditure. Works of a capital nature are charged as capital expenditure when they are completed, before which they are carried as Assets Under Construction on the Balance Sheet.

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received, thus the accounts reflect the normal accruals concept for both capital and revenue. Exceptions to this can be made for utilities (gas, electricity, telephones, etc.), where invoices may be accounted for in the year they fall, providing that only four quarterly or twelve monthly invoices are charged in any one year.

Where revenue or 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. Creditors are included within the Balance Sheet for goods and services received and risks and rewards of ownership transferred, but not paid for at the year end. Debtors are included within the Balance Sheet where services have been provided but not yet reimbursed at the year end.

The above recognition policy complies with IFRS 15 *Revenue from Contracts with Customers*.

Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Chief Constable's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Events after the Balance Sheet

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

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

Jointly Controlled Operations and Jointly Controlled Assets

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Activities undertaken in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the PCC/Group recognises the following as a joint operator:

- Its assets, including its share of any assets held jointly

- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

Debts Outstanding

Income is accounted for on an accruals basis. Debts that cannot be collected are written off via the Comprehensive Income and Expenditure Statement to the command team or department that raised the debt. The level of any bad debt provision is reviewed annually.

The writing off of bad debt can be authorised by either the PCC's CFO or the CC's Executive Director of Commercial & Finance Services in respect of their own corporations up to a value of £10,000 for individual bad debt cases and £25,000 cumulatively in any one financial year. The write off of bad debts greater than these limits requires the approval of both CC's Executive Director of Commercial & Finance Services and PCC's CFO up to a maximum of a cumulative value of £50,000 in any one financial year. The PCC will approve where appropriate the writing off of debts in excess of the CFOs delegated authority.

Reserves

The Chief Constable maintains reserves to manage the accounting processes for retirement benefits and other employee benefits. These reserves do not represent usable resources for the Chief Constable or the Group.

The nature and purpose of each reserve set up by the Chief Constable is described in the Notes to the Financial Statements.

The classification of reserves is consistent with the CIPFA Code of Practice and is reviewed annually by the Police and Crime Commissioner.

Overheads and Support Services

The costs of overheads and support services are charged to the Comprehensive Income and Expenditure Statement in accordance with the CC/Group arrangements for accountability and financial performance.

Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Chief Constable a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation, but where the timing of transfer is uncertain. Provisions are recognised on the Balance Sheet.

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.

VAT

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

A single VAT return is submitted on behalf of the Group. The Chief Constable does not submit a separate VAT return.

Employee Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for 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 charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits / Exit Packages

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate a member of staff's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. Termination benefits are charged on an accruals basis to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Chief Constable is demonstrably committed to the termination of the employment of a staff member or group of staff members or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Chief Constable 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.

Long-term Employee Benefits – Pension Arrangements

The Chief Constable operates, on behalf of the Group, three pension schemes for police officers and a single scheme for police staff:

- The Police Pension Scheme (PPS), regulated under the Police Pensions Act 1976
- The New Police Pension Scheme (NPPS), regulated under the Police Pension Regulations 2006
- The Police Pension Scheme 2015 (the 2015 scheme)
- The Local Government Pensions Scheme, administered by West Sussex County Council

All police schemes are contributory occupational pension schemes with officers making contributions.

A Police Pension Account was set up on 1st April 2006 to administer the police pension schemes. All police schemes are unfunded schemes which are treated as defined benefit schemes and provide defined benefits to members (retirement lump sums and pensions), earned as employees worked.

All police pension schemes are unfunded schemes which are treated as defined benefit schemes paid from revenue (without managed pension assets). Accrued net pension liabilities have been assessed on an actuarial basis in accordance with IAS19 Employee Benefits, the net liability and a pensions reserve for both Pension Schemes has been recognised on the Balance Sheet, as have entries in the CIES for movements in the asset/liability relating to the defined benefit scheme. Transfers into and out of the Scheme representing joining and leaving police officers, are recorded on a cash basis in the Pension Fund, because of the length of time taken to finalise the sums involved.

Following the Code's requirements, IAS19 has been fully recognised in the Chief Constable and Group accounts.

- The liabilities of the police schemes attributable are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond

Police Staff are eligible to join the Local Government Pension Scheme (LGPS) administered by West Sussex County Council. This is a funded scheme. The employer's contribution rate is determined by the Fund's actuary based on valuations every three years.

Additional contributions are payable to cover the cost of any early retirements except those due to ill-health. In addition the Chief Constable is responsible for all pension payments relating to any added years' benefits, together with the related increases.

- The assets of the LGPS attributable to Sussex Police 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

The change in the net pension liability is analysed into seven components:

- **current service cost** - the increase in liabilities as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- **past service cost** - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
- **interest cost** - the expected increase in the present value of liabilities during the year as they move one year closer to being paid - debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- **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 - credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- **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 - 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
- **actuarial gains and losses** - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve
- **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 General 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 General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

The Chief Constable also has restricted powers to make material payments in relation to injury awards. Any liabilities estimated to arise as a result of an award to any member of staff or police officer are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the relevant pension scheme.

Note 21 - Accounting Standards Issued, Not Adopted

Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2025/26 Code). This means that only the standards listed in paragraph 29 below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

It is likely there will be limited application of items a) and b), although authorities will need to consider their individual circumstances in case either of these standards apply.

Police Pension Fund Account Statements as at 31 March 2025

These statements show the contributions and benefits payable for the year

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social responsibility Act 2011. During the year all payments and receipts are made to and from the PCC Police Fund. This standalone statement shows income and expenditure for the police pension schemes and does not form part of the Chief Constable or the PCC Group's statement of accounts.

Sussex Police Pension Fund Account Statement

As at March 2024			As at March 2025	
£000	£000		£000	£000
		Contributions Receivable		
		From Employer:		
(38,213)		- Normal	(45,839)	
(443)		- Early Retirements	(1,033)	
(16,269)		From Members	(18,013)	
	(54,925)			(64,885)
		Transfers In		
	(208)	Individual Transfers in From Other Schemes		(257)
	(55,133)	Total Inflows		(65,142)
		Benefits Payable		
83,703		Pensions	89,673	
11,643		Commutations and Lump Sums	15,184	
121		Lump Sum Death Benefits	167	
	95,467			105,024
		Payments To and On Account of Leavers		
113		Refund of Contributions	231	

18		Individual Transfers Out To Other Schemes	654	
	131			885
	95,598	Total Outflows		105,909
	40,465	Net amount payable for the year from the Group (equal to deficit amount)		40,767
	(40,465)	Additional contribution from the Group to fund the deficit for the year *		(40,767)
	0	Net Amount Payable for the Year		0

* The annual deficit on the Police Pensions Account is funded by the Home Office Pension's Top-up grant. This income is shown in the PCC and Group Income and Expenditure account.

Police Pension Fund Net Assets Statement

2023/24	Net Current Assets And Liabilities	2024/25
£000		£000
	Current Assets:	
0	Contributions due from the PCC	0
0	Recoverable overpayments of pensions	0
	Current Liabilities:	
0	Unpaid pensions benefits	0
0	Surplus for the year owing to the PCC	0
0	Net Assets / (Liabilities)	0

Police Pension Funds - Notes

Accounting Policies

The Police Pension Account Statements have been prepared to meet the requirements of Regulation 7(1) (d) of the Accounts and Audit Regulations 2003, which states that Chief Constables are obliged to include the police pensions account in their statement of accounts. They also meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 based on International Financial Reporting Standards IAS19. The Accounts have been prepared on an accruals basis. The statements do not take account of liabilities to pay pensions and other benefits in the future. This is reported upon separately in the Actuary's statement.

Explanatory Notes to the Police Pension Fund Account Statements

The Chief Constable is required to include a separate police pension account in their Statement of Accounts and is responsible for paying the pension of its former police officers. The Pension Fund is administered by the Chief Constable in accordance with the Police Pension Fund Regulations 2007 (SI 2007 No 1932).

On 1 April 2006 new arrangements came into being for funding and accounting for the Police Pension Schemes. Before 1 April 2006 these pensions were paid from the Revenue Account and the Authority (preceding the Police Reform and Social Responsibility Act 2011 creating the two corporation sole bodies; the Police and Crime Commissioner for Sussex and the Chief Constable of Sussex) received funding from central government as part of the general funding formula to support payments of pensions. Prior to 1 April 2006, there were no employer contributions based on pensionable pay and no top-up grants.

From 1 April 2006 pensions are paid from a separate local police pensions account, rather than direct from the Income and Expenditure Account. Overall the change to the financial arrangements for police officer pensions is intended to be 'cost neutral' with no impact on either the national or local council taxpayer.

In the current year there were three Police Officer pension schemes in operation. Officers in the 1987 'old scheme' contributed between 14.25% and 15.05% depending upon level of basic annual salary (prior to 1 April 2012 officers in the 'old scheme' contributed 11% of pensionable pay). Officers in the 2006 'new scheme' contributed between 11.0% and 12.75% depending upon level of basic annual salary (prior to 1 April 2012 officers in the 'new scheme' contributed 9.5% of earnings or 6% if ineligible for ill-health benefits). The new scheme applied to police entrants who joined the service on or after 6 April 2006, up to 31 March 2015.

From 1 April 2015 the Police Pensions Scheme 2015 came into effect and all current active members were transferred to this scheme – except for those qualifying for protections allowing them to remain in the scheme they were already in. From 1 April 2022, these protections no longer apply to anyone and all serving officers are effectively transferred to the 2015 CARE (Career Average Revalued Earnings) pension scheme from that date. Officers now contribute between 12.44% and 13.78% depending on their basic salary. The Chief Constable of Sussex makes an employer's contribution of 35.3% of pensionable pay. Employee's and Employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to quadrennial revaluation by the Government Actuary's Department. The Police Pension scheme has no assets to cover its liabilities, therefore the total payments to pensioners in any year must be paid for by current officer and employer contributions.

Under the current financing arrangements the Pension Account is balanced to nil at the end of the year. In the event that the Pension Account is in deficit, the Home Office reimburse the Police and Crime Commissioner.

The Net Asset Statement does not include liabilities to pay pensions and other benefits after the balance sheet date.

Liabilities to pay future pension benefits have been disclosed separately at Note 16 in accordance with IAS 19 'Employee Benefits'.

From 1 April 2022, the Police pension CARE Scheme 2015 applies to all police officers, regardless of any previous protections they have been entitled to. This means that from that date they start to accrue the pension benefits available under that scheme, even if they were previously accruing benefits under an older scheme. Benefits already accrued remain in place and form part of the calculation of final benefits, but all future benefits accrue under the 2015 scheme. Benefits payable under all three schemes are shown in the following table:

	Police Pension Scheme (PPS) (1987)	New Police Pension Scheme (NPP) (2006)	Police Pensions Scheme 2015
Eligibility for membership	The 1987 scheme is closed to new members	The 2006 scheme is closed to new members	Subject to medical clearance for the purposes of ill-health benefits only for new joiners. Open to all police officers (including 1987 and 2006 scheme members)
Final salary basis	Final salary based on pensionable remuneration which was normally the average remuneration in the employee's final year	Final salary with earnings over the last ten years considered for best average over 3 consecutive years	Career Average Revalued Earnings scheme
How is pension accumulated	1/60 of final salary for first 20 years of service, plus 2/60 for final 10 years of service up to a maximum pension entitlement of 40/60. With option to exchange part of the pension for a lump sum commutation.	1/70 of final salary for each year of service up to a maximum of 35 years of service. With option to exchange part of the pension for a lump sum commutation.	1/55.3 of pensionable earnings each year is added to the members' pension pot for each year of membership.
Commutated lump sum	Commutation of ¼ of annual pension at rates depending on age at retirement.	Additional rather than by commutation at 4x initial annual pension	£12 lump sum for each £1 of pension commuted
Length of service for maximum pension	30 years	35 years	No maximum length of membership
Normal Pension Age (NPA)	Any age after 30 years of service. From age 50 with 25 years of service. Age 55 for all constables and sergeants with less than 25 years of service. Age 60 for all other cases.	Age 55	Age 60. A retirement pension paid on or after NPA is not subject to actuarial reduction. Retirement pension (other than ill-health related pension) paid before NPA is subject to actuarial reduction.
Deferred Pension Age	Age 50 if with 25 years' service, otherwise from age 60.	Age 65 if member opts out or leaves the police force before age 55.	State pension age if opt out or leave police service before age 60 or before NPA without taking a pension.
Pension increases	In line with the Consumer Price Index.	In line with the Consumer Price Index.	In line with the Consumer Price Index.

Glossary of Financial Terms

This section explains key terms and specialist financial language used in the Statement of Accounts

ACCRUAL

An accrual is a liability for expenditure relating to goods and services that have been received or supplied but are not invoiced until the following financial year.

ACCRUED INCOME

Income earned in the financial year which has not yet been received.

ACTUARIAL GAINS AND LOSSES (PENSIONS)

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

ASSET

Tangible or intangible resources owned by the force and which have future economic value that can be measured and can be expressed in pounds.

CC

Chief Constable

CIPFA

The Chartered Institute of Public Finance and Accountancy is one of the professional accountancy bodies in the UK. CIPFA specialises in the public services and has responsibility for setting accounting standards for these services. More details can be found on the CIPFA website: www.cipfa.org.uk

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The main revenue fund detailing all income received from precept, government grants and other income sources and all the costs of providing services.

CODE

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (The Code) and the Service Reporting Code of Practice, both issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 7 of the 2011 Regulations. More details can be found on the CIPFA website: www.cipfa.org.uk

CURRENT SERVICE COST (PENSIONS)

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

CURTAILMENT (PENSIONS)

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:-

- Termination of employees' services earlier than expected, and
- Termination of or amendment to the terms, of a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits

DEFINED BENEFIT SCHEME (PENSIONS)

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

DEFINED CONTRIBUTION SCHEME (PENSIONS)

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

EXPECTED RATE OF RETURN ON PENSION 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.

EXPENSE

Money spent or cost incurred by the force to police and protect the county, representing the cost of policing.

GOING CONCERN

The concept that the organisation will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of the operations.

IAS19

International Accounting Standard 19 (IAS19) for Employee Benefits sets out the accounting treatment and disclosure for employee benefits and pensions.

IFRS

International Financial Reporting Standards

INCOME

Income is money (or some equivalent value) that the force, usually receives in exchange for providing a police service.

INTEREST COSTS (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.

INVESTMENTS (PENSION FUND)

The investments of the pensions fund will be accounted for in the statement of that fund. However, the PCC Group is also required to disclose, as part of the disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

JOINT AUDIT COMMITTEE (JAC)

The JAC is an independent Joint External Audit Committee of the Sussex Police and Crime Commissioner and the Chief Constable of Sussex providing a key component of corporate governance arrangements for both corporations sole.

LAAP

The Local Authority Accounting Panel issues LAAP Bulletins to assist practitioners with the application of the requirements of the Code of Practice on Local Authority Accounting, and Prudential Code, and to provide advice on emerging or urgent accounting issues. Bulletins provide influential guidance that is intended to be best practice, but are not prescriptive and do not have the formal status of the Code or Prudential Code.

LIABILITY

An obligation that legally binds an individual or company to settle a debt.

NET OPERATING EXPENDITURE

The total net expenditure before financing from Central Government grants or local Council Tax and before the movements shown in the Statement of Movement on the General Fund Balance.

PAST SERVICE COSTS (PENSIONS)

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.

PCC

Police and Crime Commissioner

POLICE GRANT

A specific grant paid to the PCC by Central Government to support its revenue expenditure. It is a fixed sum calculated by the Government on an assumed needs basis.

PROJECTED UNIT METHOD (PENSIONS)

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases; and
- The accrued benefits for member in service on the valuation date.

PROVISION

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

RELATED PARTIES

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

- one party has direct or indirect control of the other party, or
- the parties are subject to common control from the same source, or
- one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests, or
- the parties in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

RESERVE

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. General reserves represent accumulated balances which may be used to support future spending. Earmarked reserves are those reserves set aside to meet specific policy purposes.

REVENUE BUDGET

The Revenue Budget estimates annual income and expenditure requirements, and sets out the financial implications of the PCC Group policies and the basis of the annual precept to be levied on collection funds.

SCHEME LIABILITIES (PENSIONS)

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

SETTLEMENT (PENSIONS)

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

Settlements include:-

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

TOTAL NET EXPENDITURE

Total net spending requirement after deducting specific grants and other local income is financed by Central Government grants and local Council Tax.