



# DORSET POLICE

*A safe county for everyone*

## Chief Constable for Dorset Police



## Statement of Accounts

For the year ended 31 March 2024

Audited

# Chief Constable for Dorset

The statutory officers of the Office of the Chief Constable and contact details are as follows:



Chief Constable  
Amanda Pearson



Chief Financial Officer  
Neal Butterworth

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**Chief Constable for Dorset**  
**Statement of Accounts 2023/24**

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**DORSET  
POLICE**

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# Accompanying Reports



# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer

### 1.0 INTRODUCTION

- 1.1 Welcome to the Chief Constable's Statement of Accounts for 2023/24. This narrative report aims to provide the context for the Chief Constable's financial statements and to demonstrate how the resources have been allocated in line with intended outcomes for the 2023/24 financial year.
- 1.2 The Financial statements provide information on the Chief Constable's financial activities for the year ending 31 March 2024. They are prepared in accordance with proper accounting practices (as defined in the Code of Practice on Local Authority Accounting in the United Kingdom) and are published in accordance with the Accounts and Audit Regulations 2015.
- 1.3 The primary function of the Chief Constable is to provide an efficient and effective police service in Dorset, ensuring that the county remains a safe county for everyone in accordance with the Chief Constable's Vision. The vision sets out the purpose of the Force as being tough on crime, keeping people safe and putting victims first. To achieve the vision and purpose there are six priorities which provide a benchmark and standard against which achievements of the Force may be assessed.
- Relentless pursuit of criminality
  - Putting victims first
  - Exceptional local policing
  - Ethical and inclusive
  - Innovating, transforming and improving
  - Enabling people to deliver excellence
- 1.4 The Police and Crime Commissioner for Dorset during the 2023/24 year was David Sidwick. He launched his current Police and Crime plan on 29 October 2021 covering the period 2021 to 2029.
- 1.5 The Police and Crime Commissioner and the Chief Constable form an accounting group for reporting purposes. The accounts presented here are the Chief Constable's single entity accounts. The single entity accounts for the Police and Crime Commissioner and the accounts for the Group are presented together in a separate [document](#).

### 2.0 RESOURCES AVAILABLE IN 2023/24

- 2.1 The Police and Crime Commissioner for Dorset allocates the majority of the available annual funding to the Chief Constable. In 2023/24, the allocation to the Chief Constable was £159.9mn out of the total Police and Crime Commissioner funding of £162.9mn.
- 2.2 The Chief Constable works with the Police and Crime Commissioner in agreeing a Medium Term Financial Strategy (MTFS), identifying the budget requirement for the following year and for the subsequent three years.
- 2.3 The national police officer Uplift programme continued in 2023/24. The budget included costs for an additional 166 officers that the Force needed to recruit in the three years to 31 March 2024 to achieve the Police Uplift Programme targets, bringing total budgeted establishment up to 1,436 FTE officers. A further 27 officers were recruited during the year in response to the Home Office request for forces to recruit above their existing uplift target in return for funding, to ensure that the national target was achieved, bringing the 31 March 2024 target up to 1,460. This included three officers to be provided to the Regional Organised Crime Unit. However, the actual number of officers at year end was higher than this as the conditions of the Uplift grant were based on headcount of officers as opposed to FTE.
- 2.4 The continued funding, and costs, of the Uplift programme continued to be central to the MTFS, alongside significant unavoidable cost pressures including inflation, pay awards and capital investment requirements. The budget therefore needed to continue delivering efficiencies and innovation to ensure that maximum value was derived from existing resources. The Police and Crime Commissioner's decision to increase the Council Tax by £15 (5.6%), alongside the delivery of efficiencies and other savings, enabled a number of key areas to be addressed, including:

# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

Neighbourhood crime	Neighbourhood teams with our community safety partners, focussed on crime that impacts on our local communities, including antisocial behaviour, burglary and robbery which have a personal and invasive impact on victims. At the year end, antisocial behaviour reduced by 12% compared to 2022/23. Residential burglary reduced by 2% and positive outcome rate for these offences increased by .9%. Robbery positive outcome rate increased by 0.7%.
Neighbourhood enforcement	Neighbourhood Enforcement Teams (NETs) have been fully integrated as a critical part of our Neighbourhood Policing Teams (NPT) enhancing our capability for proactive policing to tackle those issues that matter most to our communities.
County Lines	The new County Lines Coordinator put in place last year has been empowered to effectively utilise all available capabilities and resources to increase proactive policing, develop diversion pathways as directed in the Government Drug Strategy, build lasting partnerships with forces across the UK and continue to work with our partners to prevent offending in Dorset and protect the vulnerable and relentlessly pursue offenders, bringing them to justice.
Strengthened response to rural policing	An expanded Rural Crime Team (RCT) was introduced, focusing on all aspects of rural, wildlife and heritage crime.
Crime investigation standards	Development of the Force crime investigation capability continued with an increase in the number of trainee detectives in Dorset Police, building on the Direct Detective Entry Programme and developing internal recruitment.
Violence against women and girls	The Force has focused on domestic abuse, stalking and serious sexual offences as part of our work to combat violence against women and girls. At the year end, serious sexual offences were down 7.9% compared to 2022/23, and positive outcome rate for these offences had increased by 1.4% in the same period. We have invested in the creation of a specialist senior post to lead on violence against women and girls, supported by a new co-ordinator post. These roles are delivering the force plan in this respect, driving up standards and providing an enhanced service to victims.
Online sex offending	The Chief Constable increased resources to protect and safeguard children from sexual predators.
Safer roads	Through our operational and strategic road safety response, we have further reduced those killed and seriously injured on the roads, with intelligence led policing of hotspots and dangerous drivers, as well as targeting high harm offenders and drugs couriers to disrupt criminals using the roads network.
Responding to the public	Dorset Police commenced an ambitious programme of work during the year to transform the way we make contact and engage with the public, including enhanced use of video contact. Work has taken place to ensure contact management IT systems are reliable, including the introduction of Single Online Home to improve public accessibility.
Volunteering	More direction and structure was given to the roles undertaken by Special Constables, for example embedding some within rural crime teams.
Investment in estates	Work towards a new estates strategy commenced during the year, with prioritised investment over the forthcoming three years. It will deliver more efficient and cost-effective solutions to workspace, increase 'new ways of working' and deliver improved working environments to support our staff and officers and maximise outputs.

2.5 Alongside these service improvements, the Force needed to achieve a total of £7.3mn in savings and efficiencies in order to balance the budget. These savings were significantly achieved through service developments in Contact Management, changes in neighbourhood policing delivery, and reaping the benefits of investment in technology. Non staff budgets were reduced, leaving all but the most essential areas of expenditure, further income opportunities were explored, and planned capital financing was reduced.

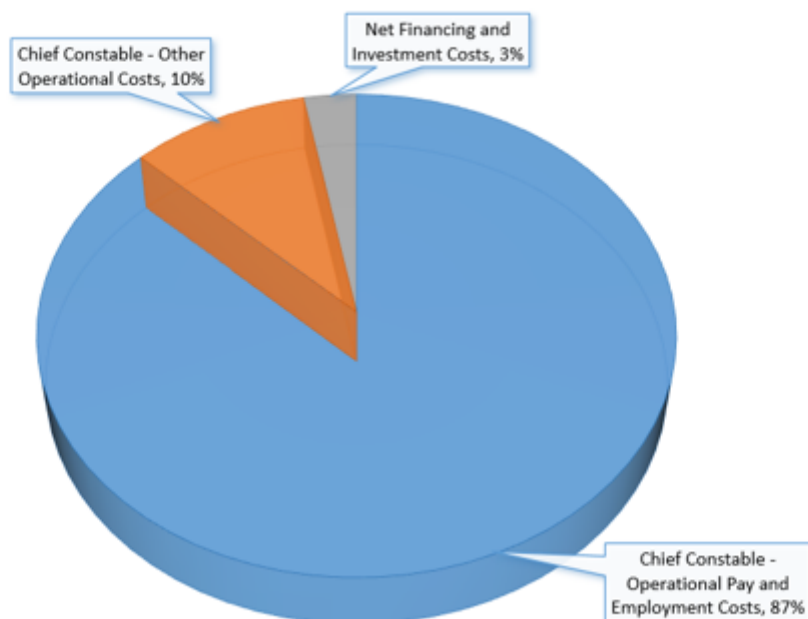
# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

### 3.0 ACTUAL EXPENDITURE IN 2023/24

- 3.1 The Chief Constable ended the year with an overspend of £313,000 (0.2%) in 2023/24. This will be funded from the Policing Education Qualification Framework (PEQF) Reserve (£40,000) and Budget Management Reserve (£90,000) with the balance of £183,000 coming from General Balances. This final spend position is reflected in the Expenditure and Funding Analysis in the accounts.
- 3.2 2023/24 was a challenging year with pressure to maintain the Uplift requirement to avoid significant financial penalties and a higher than budgeted pay award. It was anticipated that a pay award would be granted in 2023 and the Force assumed a 2% increase. The actual pay award was 7% from September 2023 for all officers and staff. Additional grant of £2.715mn was received in support of the increased pay award, however this was £748,000 short of the actual cost, further adding to the in-year budgetary pressures.
- 3.3 The Force achieved the additional 27 officers above the headcount requirement for Uplift for which it received an additional £1.005mn in Home Office grant and ended the year 40.1 FTE over budgeted establishment.
- 3.4 Police officer pay ended the year with an overspend position of £886,000. This was mainly due to a lower number of leavers than originally expected, timing of recruitment, and a reduced level of seconded officer income.
- 3.5 Police staff pay after overtime and use of agency staff showed an overspend of £318,000. A high number of vacancies, with turnover at 10.9% and a pause on PCSO recruitment has been offset by higher spending on overtime and use of agency staff.
- 3.6 Overheads overspent in total by £424,000 primarily due to higher than budgeted legal costs, increased costs of external occupational health and medical examinations together with higher insurance premiums. However, these were offset by underspends, including within Estates on PFI rebates and reduced maintenance demands and vehicle fleet due to lower fuel costs as prices have fallen and there was reduced demand for parts / repairs.
- 3.7 Income exceeded budget due to additional grants from the Home Office to support the pay award, policing requirements arising from the Bibby Stockholm Barge, and other one-off grants as well as increased investment income due to higher than anticipated cash balances and interest rates.
- 3.8 The chart below shows a breakdown of actual net revenue expenditure for 2023/24 by category of spend.

ANALYSIS OF NET REVENUE EXPENDITURE 2023/24



# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

### 4.0 CAPITAL PROGRAMME

4.1 The table below shows the Chief Constable's capital expenditure, and funding, during 2023/24. The majority of the assets used by the Chief Constable, most significantly its buildings, are owned by the Police and Crime Commissioner. However certain items of equipment, ICT and vehicles are considered to be under the ownership and control of the Chief Constable. Capital expenditure in this respect consists of an ongoing programme of rationalisation, replacement and enhancement of assets, all with an expected life of more than one year, and with an individual or programme value in excess of £10,000.

	£'mn
Vehicles	1.273
Equipment and ICT	2.216
Transformation Change Programme (PRISM)	0.088
	<u>3.577</u>
<u>Funded by</u>	
Delegation from the Police and Crime Commissioner	<u>(3.577)</u>
	0

4.2 ICT and equipment across the Force area is replaced when necessary to ensure that officers and staff have the necessary access to the most appropriate technology and equipment to support them in their roles.

4.3 The purchase of new vehicles improved from the challenges of the past couple of years with delivery broadly as expected, however prices continued to be higher than budgeted.

### 5.0 WORKFORCE RESOURCES

5.1 Workforce costs make up 87% of the annual expenditure of Dorset Police. The full-time equivalents (FTE) of officers and staff employed by Dorset Police at the beginning and end of the year were:

31/03/23 (FTE)		31/03/24 (FTE)
1,401	Police Officers	1,436
1,239	Police Staff (Force)	1,168
90	PCSO's	76
<b>2,730</b>	<b>Total</b>	<b>2,680</b>

5.2 The budget included costs for an additional 166 officers that the Force needed to recruit in the three years to 31 March 2024 to achieve the Police Uplift Programme targets, bringing total budgeted establishment up to 1,399 FTE officers.

### 6.0 PERFORMANCE INDICATORS

#### External Indicators

6.1 The principal independent financial indicators available to the Chief Constable and Police and Crime Commissioner are as follows:

- HMICFRS PEEL Report – His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) review each Force to examine their Efficiency, Effectiveness and Legitimacy. The 2021/22 report showed that Dorset Police was graded "good" in the following areas:

- Building, supporting and protecting the workforce
- Preventing crime and anti-social behaviour

# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

The Force was graded “adequate” in the area of Strategic planning, organisational management and value for money. Key comments in this area included:

- The Force makes best use of available finances, and its plans are both ambitious and lasting
- The Force collaborates to improve services
- The Force can show it is continuing to achieve efficiency savings and improve productivity.

The results of the PEEL inspection that took place in the autumn of 2024 are expected in March 2025.

- Auditors’ Value for Money Opinion – External auditors last provided a Value for Money conclusion for both the Police and Crime Commissioner and the Chief Constable for the year ending 31 March 2023. This audit concluded that the Police and Crime Commissioner and Chief Constable have each put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources.
- HMICFRS Value for Money Profile 2023 – this report does not provide an opinion but states key financial and performance information of Dorset Police in comparison to other Forces. The report did not indicate any significant outliers within Dorset Police’s information.

### Operational Performance of the Force

6.2 The following table sets out the key movement in activity in 2023/24 when compared to the previous year.

<b>Contact</b>		
999 Calls	6.20%	↑
Non-Emergency Contacts	-11.40%	↓
<b>Incidents</b>		
Incidents Recorded	-0.50%	↓
Of which, Anti-Social Behaviour	-12.00%	↓
<b>Crime</b>		
All Crime Recorded	-2.30%	↓
Sexual Offences	-8.50%	↓
Of which, Serious Sexual Offences	-7.90%	↓
Violence Against the Person	-2.50%	↓
Of which, Most Serious Violence	-4.20%	↓
Domestic Abuse Crime	6.90%	↑
Theft	7.60%	↑
<b>Other</b>		
Arrests Made	5.60%	↑
Positive Outcomes	1.60%	↑
Missing Persons	-27.00% (High Risk -24.00%)	↓
Public Protection Notices Issued	-7.00%	↓

6.3 999 calls continued to increase, by 6.2% in the latest 12 months, although this increase has now stabilised. The Force has implemented alternative contact channels, with email and call backs now available alongside telephone call. Single Online Home was introduced in March 2023 and will support the Force in further reducing call demand into the future.

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

- 6.4 Overall crime decreased by 2.3% for the reporting period, with some important areas showing significant reductions. The Force continued its focus on reducing violence against women and girls by targeting crimes such as sexual offences and domestic abuse and providing meaningful support to victims. The Force saw a decrease of 8.5% in all sexual offences, and a reduction of 7.9% was recorded in serious sexual offences. The Force remains committed to reducing and preventing sexual offences, including rape, and works closely with our partners to improve the journey for victims and to increase positive outcomes. We also encourage victims to report offences, support and safeguard the most vulnerable in our communities, and provide a safe environment for victims and encourage them to come forward and report crimes. The Force is 7<sup>th</sup> safest in terms of crimes per 1,000 population.

In relation to domestic abuse, the Force saw an increase of 6.9% in offences with a domestic abuse element, partly due to improved identification of these crimes by being part of a national automated domestic abuse flagging system.

The Force has made significant improvements in the % of crimes resulting in a positive outcome. The overall positive outcome rate has improved by 1.6% to 12.6% with significant increases in areas such as Most Serious Violence (+10%), Serious Sexual Offences (+1.6%) and Theft (+4%).

- 6.5 The Force has analysed the time officers spend at incidents, and this increased to an average of 3.5 hours at each incident. Some of the factors contributing to this increased length of time ensure greater safeguarding and provide for additional reporting requirements to support victims and witnesses.
- 6.6 The Force previously invested in two missing persons teams to support missing person investigations, which has contributed to a reduction of 27% in missing person incidents. These teams provide Force wide coverage to manage all missing children investigations and all high-risk adult missing person investigations and contributed to the 24% reduction in high-risk missing person incidents.

### 7.0 FUTURE FINANCIAL OUTLOOK

- 7.1 The Chief Constable and the Police and Crime Commissioner formally update the MTFS annually during the budget setting process. The national economic environment has continued to change since the 2023/24 budget settlement. This has included significant increases in inflation, particularly the September 2023 pay award, general inflation and interest rates. Turnover of officers and staff has also been difficult to predict. As such, the financial outlook for 2024/25 and beyond is markedly different than it was forecast to be last year.
- 7.2 The 2024/25 MTFS shows a balanced budget for 2024/25 after significant savings but there is a budget gap in future years of £1.9mn increasing to £4.3mn in 2027/28. The forecasts are underpinned by numerous assumptions including staff and officer turnover, pay increases and rates of inflation and interest.
- 7.3 The 2024/25 MTFS is designed to support the delivery of the Police and Crime Plan.
- 7.4 The Financial Strategy, including the Capital Strategy, Reserves Strategy and Treasury Management Strategy are used to translate the vision of the Police and Crime Plan into the detailed budget, with the MTFS setting out what this looks like for future years.
- 7.5 The strategic approach taken to balancing the 2024/25 budget was to take a longer term view to ensure that decisions taken are sustainable and that future budgets have firm foundations, to build greater financial resilience, and deliver value for money for Dorset residents. The Force has taken steps to drive out new cashable efficiencies and savings from the 2024/25 budget through a further Cost Challenge process. The Efficiency and Productivity Board will oversee the delivery of these and further efficiencies to produce a balanced MTFS in future years.
- 7.6 Grant funding for 2024/25 was in line with figures made available at the 2022/23 settlement adjusted for the 2023 pay award and changes to police officer pension contribution rates. The core funding increase after these changes was £1.5mn which does not fund the significant inflationary increase and other unavoidable pressures faced by the Force in 2024/25.

# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

7.7 Key areas of uncertainty in future planning are:

- Future pay awards for officers and staff
- Inflationary pressures particularly on utilities and fuel
- Staff turnover and, in particular, police officer leavers
- Future grant increases following the current 3 year settlement
- Future council tax referendum principles

### 8.0 GOVERNANCE ARRANGEMENTS

8.1 The Annual Governance Statement is published alongside this document. The Annual Governance Statement describes the internal control environment for the Chief Constable. It also comments on the effectiveness of the governance arrangements and identifies issues that require further work.

8.2 The Police and Crime Commissioner and the Chief Constable have an effective joint process for managing risk and the details are also provided in the Annual Governance Statement.

### 9.0 THE STATEMENT OF ACCOUNTS

9.1 A brief explanation of the of the purpose of each of the four primary statements is provided below:

**Movement in Reserves Statement** shows the changes in the Chief Constable's financial resources over the year.

Summary Movement in Reserves	Movements for 2022/23 £'000	Change £'000	Movements for 2023/24 £'000
Surplus or (Deficit) on the Provision of Services	(755,825)	730,090	(25,735)
Remeasurement of the net defined benefit (liability) asset	755,825	(730,090)	25,735
<b>Total Usable Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>

The significant change relates to the accounting adjustments for pensions. These accounting adjustments applied have been prepared in accordance with generally accepted accounting practices and are not chargeable against council tax for the year.

**Comprehensive Income and Expenditure Statement** - this statement shows the accounting cost in the year of providing services in accordance with accounting standards. This amount is different to the amount funded by taxation due to the accounting treatment of certain costs such as depreciation and pensions.

Summary Comprehensive Income and Expenditure Statement	Gross Expenditure 2023/24 £'000	Gross Income 2023/24 £'000	Net Expenditure 2023/24 £'000
<b>Cost of Services</b>	<b>186,949</b>	<b>(36,145)</b>	<b>150,804</b>
Pensions Top-Up Grant	0	(25,238)	(25,238)
Pensions Interest	65,592	(12,137)	53,455
Intra-Group Adjustments	(226,806)	73,520	(153,286)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>25,735</b>	<b>0</b>	<b>25,735</b>
Remeasurement of the Pensions Net Defined Benefit Liability (Asset)	(25,735)	0	(25,735)
<b>Total Comprehensive Income and Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

The statement highlights that the expenditure is dominated by the net cost of providing services which is mainly the costs of policing. The other most significant cost is the pensions interest cost and remeasurement of the pension fund. These costs are calculated in accordance with generally accepted accounting practices and reflects the cost of the pensions at the time employees earn their retirement benefits even though the benefits will not actually be payable until employees retire.

# Chief Constable for Dorset

## Narrative Report by Neal Butterworth, Chief Financial Officer Continued

**Balance Sheet as at 31 March 2024** - shows how the resources available to the Chief Constable are held in the form of assets and liabilities.

<b>Summary Balance Sheet</b>	<b>Balance as at 31/03/2023 £'000</b>	<b>Balance as at 31/03/2024 £'000</b>	<b>Movement £'000</b>
Long Term Assets	1,154,717	1,149,022	(5,695)
Current Assets	35,475	35,945	470
Current Liabilities	(35,475)	(35,945)	(470)
Long Term Liabilities	(1,154,717)	(1,149,022)	5,695
<b>Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cash Flow Statement** - shows how the movement in resources has been reflected in cash flows.

<b>Summary Cash Flow Statement</b>	<b>Cash Flows 2022/23 £'000</b>	<b>Cash Flows 2023/24 £'000</b>
<b>Net (Surplus) or Deficit on the Provision of Services</b>	755,825	25,735
(Increase)/Decrease in pensions liability	(755,825)	(25,735)
<b>Net Cash (Inflows)/Outflows from Operating Activities</b>	<b>0</b>	<b>0</b>

**Expenditure and Funding Analysis** shows how council tax and funding for the year has been used in providing services compared with resources consumed in accordance with generally accepted accounting practices.

The table below shows how the expenditure and funding analysis note and outturn relate to each other:

<b>Reconciliation</b>	<b>2023/24 £'000</b>
<b>Expenditure and Funding Analysis</b>	
Net Cost of Services - Chief Constable	160,328
Financing and Investment Income and Expenditure	(508)
<b>Total net expenditure funded by Taxation and Non-Specific Grant Income</b>	<b>159,820</b>
<b>Outturn</b>	
Chief Constable	160,133
Transfer from Reserves	(313)
<b>Total net expenditure funded by Taxation and Non-Specific Grant Income</b>	<b>159,820</b>

- 9.2 The notes to the financial statements include the accounting policies and give further information on the entries within the main statements as well as supplementary information. These are further supplemented by a glossary of terms.

**Neal Butterworth ACMA, CPFA**  
**Chief Financial Officer to the Chief Constable**  
**19 February 2025**

**Further Information:** This publication provides a review of the financial performance of the Chief Constable for 2023/24. It may be read in conjunction with the [Police and Crime Commissioner/Group Accounts](#) and the [Police and Crime Plan](#).

# Chief Constable for Dorset

## Independent auditor's report to the Chief Constable of Dorset

### Report on the audit of the financial statements

#### Qualified opinion on financial statements

We have audited the financial statements of the Chief Constable for Dorset (the 'Chief Constable') for the year ended 31 March 2024, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Police Officers' Pension Fund Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

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

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for qualified opinion

The Chief Constable for Dorset is a member of a multi-employer pension scheme and as at 31 March 2024, the Chief Constable held a share of Dorset County Pension Fund's assets (£284,330,000) and liabilities (£260,826,000), the net asset of £396,000, once the impact of the changes in effect of asset ceiling (£23,108,000) are taken into account.

Auditor Guidance Notes are prepared and published by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General who has power to issue guidance to auditors under Schedule 6 paragraph 9 of the Local Audit and Accountability Act 2014. The NAO issued Auditor Guidance Note 07 (AGN 07) on 14 November 2024. Paragraph 33 of AGN 07 refers to the voluntary protocol that auditors have agreed with each other and the NAO in respect of the provision of assurances concerning defined benefit pension plans.

In our auditor's report for the year ended 31 March 2023, we reported that the external audit of the Dorset County Pension Fund was not concluded for 2022/23, and therefore that Pension Fund assurances under AGN 07 were not available as at 31 March 2023. As this impacts the balances for the financial year ended 31 March 2024 the only means for us to get sufficient assurance over the Pension Fund assets and liabilities as at 31 March 2023 disclosed in the financial statements would be to audit the Pension Fund financial statements directly and undertake alternative procedures. This would not be in the best interests of the public purse.

Management have stated that in the interests of openness and transparency they wish to publish signed accounts for stakeholders. To limit further delays, management have determined it appropriate to limit the scope of our work in respect of the defined benefit pension plan net liability as disclosed in the balance sheet and associated Pension Fund asset and liability disclosures in the financial statements.

Consequently, we have been unable to determine whether any adjustment to the Chief Constable's share of Dorset County Pension Fund's assets and liabilities as at 31 March 2023, or other amounts disclosed in the financial statements in respect of the share of assets and liabilities as at 31 March 2023 was necessary. In addition, were any adjustment to the defined benefit pension plan net liability to be required, the narrative report would also need to be amended.

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

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

# Chief Constable for Dorset

## Conclusions relating to going concern

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

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

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

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

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

## Other information

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

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the Chief Constable's share of Dorset County's Pension Fund's assets as at 31 March 2023 (£252,162,000) and liabilities (£256,927,000) and the net liability of £4,765,000 of which is included in the balance sheet at 31 March 2023, as well as other disclosures that are impacted by these balances. We have concluded that where the other information refers to the defined benefit pension plan net liability or related balances and disclosures, it may be materially misstated for the same reason.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

# Chief Constable for Dorset

## Opinion on other matters required by the Code of Audit Practice

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

## Matters on which we are required to report by exception

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

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

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

## Responsibilities of the Chief Constable and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, the Policing and Crime Act 2017 and the Police Reform and Social Responsibility Act 2011. We also identified several additional regulatory frameworks, namely the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015, the Police Pensions Regulations 2006 and the Public Service Pensions Act 2013.

## Chief Constable for Dorset

We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit, In-House legal and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
  - We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
    - journal entries posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement, and
    - potential management bias in determining accounting estimates and judgements made in respect of the valuation of Police and Local Government Pension Scheme assets and liabilities in the Balance Sheet.
  - Our audit procedures involved:
    - evaluation of the design effectiveness of controls in place to prevent and detect fraud;
    - journal entry testing, with a focus on material journals posted after year end;
    - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of the defined benefit pension plan net liability;
    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for management override of controls and the significant accounting estimates related to the valuation of the defined benefit pension plan net liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the police sector
- understanding of the legal and regulatory requirements specific to the Chief Constable including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

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

# Chief Constable for Dorset

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

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

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

### Responsibilities of the Chief Constable

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

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

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

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

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

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

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

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Dorset for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until the National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2024. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

### Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might

## Chief Constable for Dorset

state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Grace Hawkins, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor  
Bristol

Date: 19 February 2025

# Chief Constable for Dorset

## Statement of Responsibilities

### The Chief Constable's Responsibilities

The Chief Constable is required to:

- make arrangements for the proper administration of the financial affairs of Dorset Police and to secure that one of her officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer to the Chief Constable
- manage the affairs of Dorset Police to secure economic, efficient and effective use of resources and to safeguard its assets
- approve the Statement of Accounts.

### Approval of the Accounts

I approve the Statement of Accounts.

**Amanda Pearson**  
**Chief Constable**  
**19 February 2025**

### The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Chief Constable's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC "Code of Practice on Local Authority Accounting in the United Kingdom 2023/24" (the Code).

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

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Chief Financial Officer's Certificate

I certify that this Statement of Accounts for the year ended 31 March 2024 gives a true and fair view of the financial position of the Chief Constable for Dorset at the reporting date and of the income and expenditure for the year ended 31 March 2024.

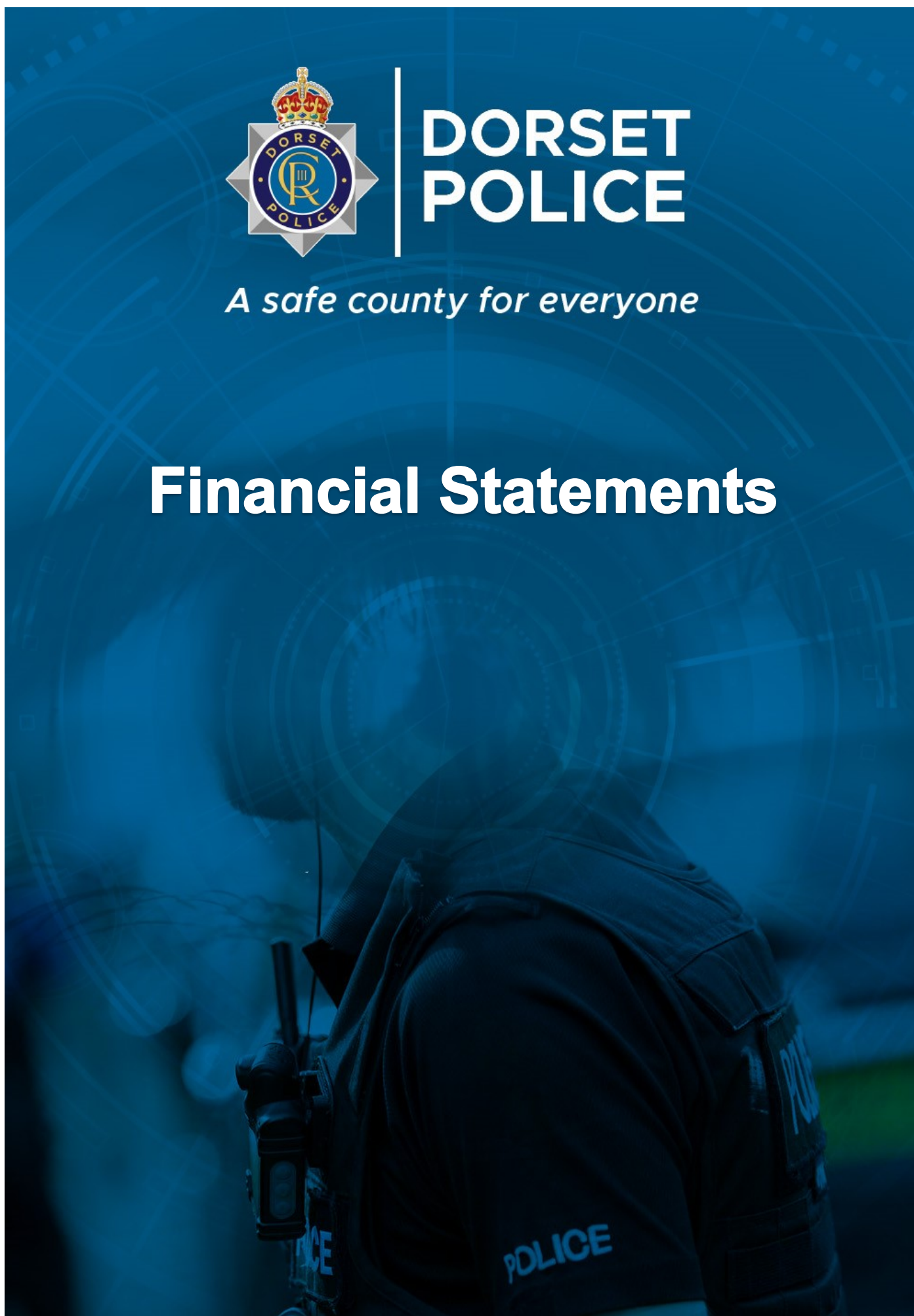
**Neal Butterworth ACMA, CPFA**  
**Chief Financial Officer to the Chief Constable**  
**19 February 2025**



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# Financial Statements



# Chief Constable for Dorset

## Movement in Reserves Statement

This statement only shows the pension related transactions from the start of the year to the end of the year for 2022/23 and 2023/24 as all reserves are managed by the Police and Crime Commissioner. The financial consequences of the operational activities undertaken by the Chief Constable is shown in the Comprehensive Income and Expenditure Statement.

Current Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2023</b>		0	0	0	0	0	0	0
<b>Movement in Reserves</b>								
Surplus or (Deficit) on the Provision of Services		(25,735)	0	0	0	(25,735)	0	(25,735)
Remeasurement of the net defined benefit (liability) asset		25,735	0	0	0	25,735	0	25,735
<b>Total Comprehensive Income and Expenditure</b>		0	0	0	0	0	0	0
<b>Balance at 31 March 2024</b>		0	0	0	0	0	0	0

Comparative Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2022</b>		0	0	0	0	0	0	0
<b>Movement in Reserves</b>								
Surplus or (Deficit) on the Provision of Services		(755,825)	0	0	0	(755,825)	0	(755,825)
Remeasurement of the net defined benefit (liability) asset		755,825	0	0	0	755,825	0	755,825
<b>Total Comprehensive Income and Expenditure</b>		0	0	0	0	0	0	0
<b>Balance at 31 March 2023</b>		0	0	0	0	0	0	0

# Chief Constable for Dorset

## Comprehensive Income and Expenditure Statement

This statement reflects the Police and Crime Commissioner's financial resources consumed by the Chief Constable for 2022/23 and 2023/24. In practice all the respective costs are paid for by the Police and Crime Commissioner. This Statement includes intra-group transactions resulting in a nil balance for Total Comprehensive Income and Expenditure.

2022/23			2023/24			Notes
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000	£'000	£'000	£'000	
202,322	(30,599)	171,723	186,949	(36,145)	150,804	8
<b>202,322</b>	<b>(30,599)</b>	<b>171,723</b>	<b>186,949</b>	<b>(36,145)</b>	<b>150,804</b>	
0	(25,925)	(25,925)	0	(25,238)	(25,238)	
(202,322)	56,524	(145,798)	(186,949)	61,383	(125,566)	
0	0	0	0	0	0	
<b>Financing and Investment Income and Expenditure</b>						
54,451	(9,747)	44,704	65,592	(12,137)	53,455	20
(54,451)	9,747	(44,704)	(65,592)	12,137	(53,455)	
755,825	0	755,825	25,735	0	25,735	20
<b>755,825</b>	<b>0</b>	<b>755,825</b>	<b>25,735</b>	<b>0</b>	<b>25,735</b>	
		(755,825)			(25,735)	
		<b>0</b>			<b>0</b>	
		<b>0</b>			<b>0</b>	

Neal Butterworth ACMA, CPFA  
 Chief Financial Officer to the Chief Constable  
 19 February 2025

# Chief Constable for Dorset

## Balance Sheet

The Chief Constable owns some long term assets and holds current assets and liabilities as well as long term liabilities which relate to employee benefits. The Chief Constable does not hold reserves. The intra-group transaction entries on the Balance Sheet represents the Police and Crime Commissioner's responsibility to provide funds to the Chief Constable over the long term.

31 March 2023		31 March 2024	Notes
£'000		£'000	
	<b>Long Term Assets</b>		
14,332	Vehicles, ICT and Equipment	14,445	9
33	Intangible Assets	12	19
1,140,352	Pensions Liabilities - Intra-Group Debtor	1,134,565	4
<b>1,154,717</b>	<b>Total Long Term Assets</b>	<b>1,149,022</b>	
	<b>Current Assets</b>		
18,835	Short Term Debtors	17,215	10
612	Inventories	493	
2,521	Accumulated Absences - Intra-Group Debtor	2,671	
233	Provisions - Intra-Group Debtor	770	
13,274	Short Term Creditors - Intra-Group Debtor	14,796	
<b>35,475</b>	<b>Total Current Assets</b>	<b>35,945</b>	
	<b>Current Liabilities</b>		
(13,274)	Short Term Creditors	(14,796)	11
(2,521)	Accumulated Absences	(2,671)	13
(233)	Provisions	(770)	12
(612)	Inventories - Intra-Group Creditor	(493)	
(18,835)	Short Term Debtors - Intra-Group Creditor	(17,215)	
<b>(35,475)</b>	<b>Total Current Liabilities</b>	<b>(35,945)</b>	
	<b>Long Term Liabilities</b>		
(1,140,352)	Pensions Liabilities	(1,134,565)	20
(14,365)	Vehicles, ICT, Equipment and Intangible Assets - Intra-Group Creditor	(14,457)	9,19
<b>(1,154,717)</b>	<b>Total Long Term Liabilities</b>	<b>(1,149,022)</b>	
<b>0</b>	<b>Net Assets</b>	<b>0</b>	

Neal Butterworth ACMA, CPFA  
 Chief Financial Officer to the Chief Constable  
 19 February 2025

# Chief Constable for Dorset

## Cash Flow Statement

The surplus or deficit on the provision of services represents the transfer of funds from the Police and Crime Commissioner to cover the actuarial gains/losses arising from the pension's valuation shown against the increase/decrease in pension's liability line.

<b>2022/23</b>		<b>2023/24</b>
<b>£'000</b>		<b>£'000</b>
755,825	<b>Net Surplus or (Deficit) on the Provision of Services</b>	25,735
	<b>Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements</b>	
(755,825)	Increase/(Decrease) in pensions liability	(25,735)
<u>0</u>	<b>Net Cash (Inflows)/Outflows from Operating Activities</b>	<u>0</u>
<u>0</u>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	<u>0</u>



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# Notes to the Financial Statements

# Chief Constable for Dorset

## Note 1 Accounting Policies

### 1. GENERAL PRINCIPLES

The statement of accounts summarises the Chief Constable's transactions for the 2023/24 financial year and its position at the year end of 31 March 2024. The Chief Constable is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003 primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

The accounting convention adopted in the statement of accounts is principally historical cost modified by the revaluation for certain categories of non-current assets and financial instruments. The financial statements have been prepared with due regard to the going concern principle.

### 2. ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in the Comprehensive Income and Expenditure Statement for the income that might not be collected.

### 3. ACCOUNTING POLICY DEVELOPMENTS AND CHANGES

Changes in accounting policies are only made when required by proper accounting practices or if 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.

### 4. PRIOR PERIOD ADJUSTMENTS, 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.

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

### 5. EVENTS AFTER THE REPORTING PERIOD

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

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events. 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.

# Chief Constable for Dorset

## Note 1 Accounting Policies Continued

Events taking place after the date of authorisation for issue of the audited accounts are not reflected in the statement of accounts.

### 6. CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence can 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.

### 7. JOINT OPERATIONS

The Chief Constable participates in a number of partnership activities. These arrangements involve the Chief Constable carrying out activities relevant to their own functions jointly with others. The Chief Constable accounts for only its share of the jointly controlled assets; and for the liabilities, expenses and income that the Chief Constable incurs with respect to their interest in the partnerships.

### 8. OVERHEADS AND SUPPORT SERVICES

The cost of overheads and support services are charged to each area that falls under the Chief Constable for accountability and financial performance.

### 9. EMPLOYEE BENEFITS

#### 9.1 Benefits Payable during Employment

Short term employee benefits are those due to be settled wholly 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 that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves statement in the Police and Crime Commissioner accounts to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

#### 9.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an employee's employment before the normal retirement date. The amount is charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Chief Constable is demonstrably committed to the termination of the employment of an employee. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. These provisions are shown in the Chief Constable accounts and then offset via an intra-group adjustment.

In the Movement in Reserves Statement in the Police and Crime Commissioner accounts, 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.

# Chief Constable for Dorset

## Note 1 Accounting Policies Continued

### 9.3 Post-Employment Benefits

Up until 31 March 2022, employees of the Chief Constable were members of four separate pension schemes:

- The Police Officer 1987 Scheme (PPS)
- The Police Officer 2006 Scheme (NPPS)
- The Police Officer 2015 Scheme (CARE)
- The Local Government Pensions Scheme (CARE)

From 1 April 2022, employees of the Chief Constable were members of two separate pension schemes:

- The Police Officer 2015 Scheme (CARE)
- The Local Government Pensions Scheme (CARE)

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Chief Constable.

#### 9.3.1 Police Officers' Pension Schemes

All Police Officers' Pension Schemes are accounted for as defined benefits schemes.

The liabilities of the Police Officers' Pension Schemes 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 projected earnings for current employees.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all Police Schemes. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

#### 9.3.2 The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme.

The liabilities of the Local Government Pension Scheme 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 projected earnings for current employees. This liability is shown in the Chief Constable accounts and then offset via an intra-group adjustment.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of the past service liability. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

The assets of the Dorset County pension fund attributable to the Chief Constable are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unitised securities - current bid price
- property - market value

# Chief Constable for Dorset

## Note 1 Accounting Policies Continued

### 9.3.3 Net Pensions Liability Analysed

The change in the net pension's liability for the Pension Schemes is analysed into the following components:  
Service cost comprising:

- 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 as a result of a scheme amendment or curtailment 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.
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Chief Constable - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period and taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

The return on plan assets excludes the amounts included in net interest on the net defined benefit liability (asset) which is charged to the pensions reserve in the Police and Crime Commissioner accounts as other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme.

Actuarial gains and losses are 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. These changes are charged to the pensions reserve in the Police and Crime Commissioner accounts as other Comprehensive Income and Expenditure.

Benefits paid (only applicable to the Police Officer Pension Schemes):

- cash paid to pensioners including injury pension payments.

Contributions paid (only applicable to the Local Government Pension Scheme):

- cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

### 9.3.4 Police Officers' Injury Benefits

The Chief Constable makes payment under the Police Injury Benefits Regulations. These payments are accounted for in the same way as payments under the main police officers' pension schemes. The figures are included within the unfunded pension calculation as the injury benefits may be financially significant with volatile actuarial gains and losses. These have been estimated by the independent actuary.

### 9.3.5 Impact on Reserves in the Police and Crime Commissioner accounts

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Police and Crime Commissioner Group to the pension fund in the year, not the amount calculated according to the relevant accounting standards. These provisions are shown in the Chief Constable accounts and then offset via an intra-group adjustment. In the Movement of Reserves Statement in the Police and Crime Commissioner accounts, this means that there are transfers 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.

# Chief Constable for Dorset

## Note 1 Accounting Policies Continued

### 9.4 Discretionary Benefits

The Chief Constable also 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 Local Government Pension Scheme.

### 10. PROVISIONS

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Chief Constable has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed (or reduced) and credited back to the Comprehensive Income and Expenditure Statement.

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

A provision would be made for termination payments due to staff resulting from restructuring when the Chief Constable has raised a valid expectation to the staff affected that it will carry out restructuring by starting to implement a particular restructuring plan or announcing its main features to those affected by it. Each element of any Force restructuring plan will be treated separately, and provision made of the estimated termination payments as and when each element of the plan is announced.

### 11. PROPERTY, PLANT AND EQUIPMENT

Assets that have physical substance and are held for use in the supply of services or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment. Property is accounted for in the Police and Crime Commissioner accounts whilst ICT, vehicles, plant and equipment are included within the Chief Constable accounts. These operational assets are offset on the Balance Sheet by a long term liability representing the requirement that the Chief Constable pays for these assets over their operational life. The long term liability will be written down in line with the depreciation policy as set out in the note.

The expenditure within the Comprehensive Income and Expenditure Statement of the Chief Constable includes a charge for use of property, ICT, vehicles, plant and equipment assets based on the fair value of the assets used by the Chief Constable to deliver a policing service. The accounting policies of the Group in relation to depreciation are set out within the financial statements of the Police and Crime Commissioner.

#### 11.1 Recognition

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

## Note 1 Accounting Policies Continued

### 11.2 Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

- |                             |   |                             |
|-----------------------------|---|-----------------------------|
| • ICT                       | - | depreciated historical cost |
| • Equipment                 | - | depreciated historical cost |
| • Plant                     | - | depreciated historical cost |
| • Vehicles                  | - | depreciated historical cost |
| • Assets under construction | - | historical cost             |

### 11.3 Depreciation

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

Depreciation is calculated on the following bases:

- Information and Communications Technology (ICT) – depreciation is charged monthly, using the straight-line allocation, from the first of the month of acquisition starting in the year of acquisition. The asset life of individual groups of assets has been assessed and each group is depreciated individually according to asset life.
- Plant and equipment – these assets are given specific asset lives and are depreciated monthly, using the straight-line allocation.
- Vehicles – are depreciated monthly using the straight-line allocation, over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered.

### 11.4 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether plant, ICT, equipment and vehicles) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written off value of disposals is not charged against council tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing as shown in the Police and Crime Commissioner Group accounts together with the amounts that are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

### 11.5 Impairment

An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the Comprehensive Income and Expenditure Statement.

# Chief Constable for Dorset

## Note 1 Accounting Policies Continued

### 12. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

### 13. EXCEPTIONAL ITEMS

When items of expenditure are outside the normal type of expenditure incurred by the Chief Constable they will be disclosed separately on the face of the Comprehensive Income and Expenditure Statement if they are material, and a separate disclosure would be made to aid the understanding of the Chief Constable's financial performance.

### 14. CHARGES TO REVENUE NON-CURRENT ASSETS

The Comprehensive Income and Expenditure Statement is debited with the following amount to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- amortisation of intangible assets attributable to the service.

The Police and Crime Commissioner is not required to raise council tax to fund the depreciation, amortisation or impairment losses that are charged against the Chief Constable's Comprehensive Income and Expenditure Statement. However, there is a requirement to make an annual contribution (minimum revenue provision) from revenue towards the reduction in the overall borrowing requirement (equal to the amount calculated on a prudent basis determined by the Group in accordance with statutory guidance). Depreciation and amortisation are therefore replaced by the contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two as shown in the Police and Crime Commissioner Group accounts.

### 15. COST AND INTRA-GROUP RECOGNITION

In practice, all income is received by the Police and Crime Commissioner and all expenditure is paid by the Police and Crime Commissioner from the Police Fund. No actual cash transactions or events take place between the two entities. From an accounting perspective, costs are recognised within the Chief Constable's accounts to reflect the financial resources consumed at the request of the Chief Constable. The income recognised in the Chief Constable's accounts is the income collected by the Police and Crime Commissioner on behalf of the Chief Constable.

## Note 2 Accounting Standards Issued, Not Adopted

Appendix C of the CIPFA code requires Local Authorities 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. Standards that fall into this category that are relevant to the Chief Constable accounts are:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020
- IFRS 16 Leases issued in January 2016.

All of these standards will be incorporated in the Code from 2024/25. However, CIPFA has indicated that the Amendments to IAS 8 and IAS 1, and IFRS Practice Statement 2 will not have a significant impact on the amounts anticipated to be reported in the financial statements; and the amendment to IFRS 3 will be limited in its application. Therefore, as no material impact is expected, disclosures are not warranted for these standards.

On the 1 April 2024, the Police and Crime Commissioner Group will apply IFRS 16 Leases. The main impact of this standard is to remove the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset on the Balance Sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as 'pay as you go' arrangements, with rentals expensed in the year they are paid. Lessor accounting under IFRS 16 is effectively unchanged.

# Chief Constable for Dorset

## Note 2 Accounting Standards Issued, Not Adopted Continued

IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. The benefit of this standard is to provide a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed.

There are two specific exemptions which will be adopted by the Police and Crime Commissioner Group: short-term leases (leases with the lease term of 12 months or less with no purchase option), and leases where the underlying asset is of low value. The leases that fall within the exemptions will continue to be treated as operational leases.

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised on 1 April 2024. This means that right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2023/2024 and not by adjusting prior year figures. The right of use asset will be subsequently depreciated on a straight-line basis over the life of the lease and interest will be recognised on the lease liability. To fulfil the 2023/24 disclosure requirement, leads from Accountancy and Estate teams have been established. Close co-ordination for information gathering has been essential and has been in place from an early point supplemented with meetings.

As a lessee, the Police and Crime Commissioner Group has previously classified leases as operating, or finance leases based on its assessment of whether the lease significantly transferred all of the risks and rewards incidental to ownership of the underlying asset to the Group. It is anticipated that the application of the Code's adaptation of IFRS 16 will not require additions to the balance sheet as the lease arrangements in place are for the multi-functional devices which are already recognised on the Chief Constable balance sheet within the equipment classification. However, additional disclosures are anticipated.

Guidance on whether a right of use relationship exists between the Police and Crime Commissioner and Chief Constable has yet to be issued and therefore the impact on the Chief Constable accounts is currently unknown. If it is determined that a relationship does exist, appropriate disclosures will be made.

## Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements in the Statement of Accounts are:

- The Police and Crime Commissioner Group has had to make judgements about the allocation of expenditure between the Police and Crime Commissioner and the Chief Constable. The basis adopted was arrived at after considering the CIPFA Service Reporting Code of Practice and the Police Reform and Social Responsibility Act. Further detail is shown in Note 4.
- Estimation of the pension element of the provision is on the basis of apportionment of the total actuarially assessed liability for future pensions benefits for the Group between the two corporate bodies on the basis of current cashflows.

# Chief Constable for Dorset

## -Note 4 The Chief Constable as an Accounting Entity

The Chief Constable is part of an accounting group along with the Police and Crime Commissioner (referred to as the Police and Crime Commissioner Group). The accounting recognition of the Group's assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice.

The Police and Crime Commissioner receives all government funding and income and the Chief Constable does not hold any cash or reserves. When the Police and Crime Commissioner's resources are consumed at the request of the Chief Constable all payments are made by the Police and Crime Commissioner from the Police Fund and no cash movements occur between the two bodies.

A long term debtor has been established in the Chief Constable's Balance Sheet to reflect the continuing requirement on an elected policing body, as required under the Police Reform and Social responsibility Act 2011, for the Police and Crime Commissioner to provide funds to the Chief Constable for the payment of assets and liabilities. Should the Police and Crime Commissioner be required to settle future liabilities, there is no long-term expectation that the Home Office will provide this funding. Similarly, the Chief Constable could not be expected to fund the liability as the Chief Constable (the current grant arrangements notwithstanding) has no assets, cash reserves, income receipts or other sources of funding. It is reasonable to expect that should the Police and Crime Commissioner Group be required to settle future liabilities (however unlikely this may be), then settlement would result in an outflow of resources from the Police and Crime Commissioner.

For accounting and regulatory purposes, the Police and Crime Commissioner and the Chief Constable are classed as Local Authorities and are covered by the CIPFA Code of Practice for Local Authority Accounting 2023/24.

The financial consequences of the activity under the control of the Chief Constable are shown in these accounts. As the Chief Constable does not hold reserves, the Comprehensive Income and Expenditure Statement shows the gross cost of policing which is offset by intra-group adjustments to reflect the payments and accruals made by the Police and Crime Commissioner at the request of the Chief Constable. The result of these adjustments is that the Chief Constable has a nil balance on her General Fund. The intra-group adjustments are mirrored in the Police and Crime Commissioner's Accounts. The intra-group transactions are summarised in the table below.

All of the assets and liabilities and reserves of the Police and Crime Commissioner Group with the following exceptions are recognised on the Police and Crime Commissioner's Balance Sheet. The exceptions are:

- Employment liabilities for officers and staff under the direction of the Chief Constable are recognised on the Chief Constable's Balance Sheet. The liability in the Chief Constable's Balance Sheet for these items is offset by a long term debtor reflecting the Police and Crime Commissioner's responsibility to provide funds from the Police Fund each year to enable the Chief Constable to administer police pensions
- Certain categories of long term and current assets are shown on the Chief Constable's Balance Sheet. These assets are offset in the Balance Sheet by a long term and short term creditor respectively
- Certain categories of current liabilities are shown on the Chief Constable's Balance Sheet. These liabilities are offset in the Balance Sheet by a short term debtor.

# Chief Constable for Dorset

## Note 4 The Chief Constable as an Accounting Entity Continued

Intra-Group Transactions	2022/23		2023/24	
	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
<b>Comprehensive Income and Expenditure Statements</b>				
Cost of Services	(171,723)	171,723	(150,804)	150,804
Pensions Top Up Grant	25,925	(25,925)	25,238	(25,238)
Pensions Interest Cost - Intra-Group Transaction	(44,704)	44,704	(53,455)	53,455
Actuarial (Gains)/Losses on Pensions Funds - Intra-Group Transaction	755,825	(755,825)	25,735	(25,735)
<b>Balance Sheet</b>				
<b>Non-Current Assets/Liabilities</b>				
Pensions Liabilities	(1,140,352)	0	(1,134,565)	0
Pensions Liabilities - Intra-Group Debtor	1,140,352	0	1,134,565	0
Pensions Liabilities - Intra-Group Creditor	0	(1,140,352)	0	(1,134,565)
Vehicles, ICT, Equipment Assets and Intangible Assets	14,365	0	14,457	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Creditor	(14,365)	0	(14,457)	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Debtor	0	14,365	0	14,457
<b>Current Assets/Liabilities</b>				
Current Liabilities	(16,028)	0	(18,237)	0
Current Liabilities - Intra-Group Debtor	16,028	0	18,237	0
Current Liabilities - Intra-Group Creditor	0	(16,028)	0	(18,237)
Current Assets	19,447	0	17,708	0
Current Assets - Intra-Group Creditor	(19,447)	0	(17,708)	0
Current Assets - Intra-Group Debtor	0	19,447	0	17,708
<b>Unusable Reserves</b>				
Intra-Group Transactions	0	(1,122,569)	0	(1,120,637)

When the Balance Sheets for the two corporate bodies are consolidated into the Group Balance Sheet these intra-group transactions are eliminated.

## Note 5 Events after the Reporting Period

The draft Statement of Accounts were authorised for issue on 31 May 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## **Note 6 Assumptions Made about the Future and Other Major Sources of Estimation and Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Police and Crime Commissioner Group about the future or that are otherwise uncertain. Estimates are made by 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 at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

### **6.1 Pensions Liability**

#### **Uncertainties**

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 and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.

#### **Valuation Assumption**

The standard assumptions recommended by the actuaries have been considered and approved for use in the valuing of the pension liabilities. This year an accounting surplus has been calculated and therefore additional assumptions have been recommended in order to establish the net defined benefit value. These additional assumptions have also been approved. All assumptions are set out in the Defined Benefit Pension Schemes Note.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes would be closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sergeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

Settlement and curtailment events are assumed to be material and are remeasured using current assumptions and the fair value of plan assets at the time of the event.

#### **Effect if Actual Results Differ from Assumptions**

The effects on the net pension's liability of changes in individual assumptions are shown in the Defined Benefit Pension Schemes Note.

## Chief Constable for Dorset

### Note 7 Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used by the Chief Constable. All costs are paid for by the Police and Crime Commissioner which is funded from government grants, council tax and other income. The Police and Crime Commissioner meets the Chief Constable's expenditure in full by an intra-group transaction. There is no net expenditure chargeable to the General Fund.

2023/24									
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Intra-Group Adjustments	Net Expenditure in the CIES	Intra-Group Adjustments			Total
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	
						(Note 7.1)	(Note 7.2)	(Note 7.3)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Constable	160,328	1,745	162,073	(11,269)	150,804	(3,151)	(8,268)	150	(11,269)
<b>Cost of Services</b>	<b>160,328</b>	<b>1,745</b>	<b>162,073</b>	<b>(11,269)</b>	<b>150,804</b>	<b>(3,151)</b>	<b>(8,268)</b>	<b>150</b>	<b>(11,269)</b>
Pension Top Up Grant	0	0	0	(25,238)	(25,238)	0	(25,238)	0	(25,238)
Intra-Group Transaction	(160,328)	(1,745)	(162,073)	36,507	(125,566)	3,151	33,506	(150)	36,507
<b>Cost of Services Net of Pensions Top Up Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Pensions Interest	0	0	0	53,455	53,455	0	53,455	0	53,455
Pensions Interest - Intra-Group Transaction	0	0	0	(53,455)	(53,455)	0	(53,455)	0	(53,455)
Actuarial (Gains)/Losses on Pension Funds - Intra-Group Transaction	0	0	0	25,735	25,735	0	25,735	0	25,735
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,735</b>	<b>25,735</b>	<b>0</b>	<b>25,735</b>	<b>0</b>	<b>25,735</b>

# Chief Constable for Dorset

## Note 7 Expenditure and Funding Analysis Continued

2022/23									
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Intra-Group Adjustments	Net Expenditure in the CIES	Intra-Group Adjustments			Total
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	
						(Note 7.1)	(Note 7.2)	(Note 7.3)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Constable	155,373	209	155,582	16,141	171,723	(3,547)	19,915	(227)	16,141
<b>Cost of Services</b>	<b>155,373</b>	<b>209</b>	<b>155,582</b>	<b>16,141</b>	<b>171,723</b>	<b>(3,547)</b>	<b>19,915</b>	<b>(227)</b>	<b>16,141</b>
Pension Top Up Grant	0	0	0	(25,925)	(25,925)	0	(25,925)	0	(25,925)
Intra-Group Transaction	(155,373)	(209)	(155,582)	9,784	(145,798)	3,547	6,010	227	9,784
<b>Cost of Services Net of Pensions Top Up Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Pensions Interest	0	0	0	44,704	44,704	0	44,704	0	44,704
Pensions Interest - Intra-Group Transaction	0	0	0	(44,704)	(44,704)	0	(44,704)	0	(44,704)
Actuarial (Gains)/Losses on Pension Funds - Intra-Group Transaction	0	0	0	755,825	755,825	0	755,825	0	755,825
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>755,825</b>	<b>755,825</b>	<b>0</b>	<b>755,825</b>	<b>0</b>	<b>755,825</b>

# Chief Constable for Dorset

## Note 7 Expenditure and Funding Analysis Continued

### 7.1 Adjustment for Capital Purposes

This column deducts the depreciation, amortisation, minimum revenue provision, finance lease and revenue contributions from the cost of the Chief Constable's services and then offset via an intra-group adjustment.

### 7.2 Net Change for Pensions' Adjustments

Net change 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 Group on behalf of the Chief Constable as allowed by statute and the replacement with current service costs and past service costs.
- **For financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

These contributions and charges are shown in the Chief Constable accounts and then offset via an intra-group adjustment.

### 7.3 Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and the amounts payable/receivable such as accumulated absences are recognised in the Chief Constable accounts and then offset via an intra-group adjustment.

### 7.4 Chief Constable Outturn

The Chief Constable reported outturn is the sum of the amount disclosed against the Chief Constable line plus interest payable and interest and investment income. In the Statement of Accounts, the interest payable and interest and investment income is under the control of the Police and Crime Commissioner and shown under the category financing and investment income and expenditure.

## Note 8 Expenditure and Income Analysed by Nature

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

2022/23 £'000	Expenditure/Income	2023/24 £'000
	<b>Expenditure</b>	
158,409	Employee benefit expenses	138,968
40,746	Other service expenses	44,429
3,167	Depreciation, amortisation and impairment	3,552
<b>202,322</b>	<b>Total Expenditure</b>	<b>186,949</b>
	<b>Income</b>	
(13,065)	Fees charges and other service income	(13,659)
(17,534)	Government Grants and contributions	(22,486)
(25,925)	Pension Top Up Grant	(25,238)
<b>(56,524)</b>	<b>Total Income</b>	<b>(61,383)</b>
<b>145,798</b>	<b>Cost of Services including the Pension Top Up Grant and excluding the Intra-Group Transactions</b>	<b>125,566</b>

All government funding and income is received by the Police and Crime Commissioner. When resources are consumed at the request of the Chief Constable all payments are made by the Police and Crime Commissioner from the Police Fund and no cash movements occur between the two bodies.

# Chief Constable for Dorset

## Note 9 Vehicles, ICT and Equipment

This table sets out the assets held by the Chief Constable:

2022/23			Movements	2023/24		
Vehicles, ICT and Equipment Under Construction	Vehicles, ICT and Equipment	Total		Vehicles, ICT and Equipment Under Construction	Vehicles, ICT and Equipment	Total
£'000	£'000	£'000	Cost	£'000	£'000	£'000
267	28,230	28,497	Balance at 1 April	409	32,219	32,628
142	4,597	4,739	Additions	851	2,823	3,674
0	(608)	(608)	Disposals	0	(951)	(951)
0	0	0	Reclassification	(42)	42	0
<b>409</b>	<b>32,219</b>	<b>32,628</b>	<b>Balance at 31 March</b>	<b>1,218</b>	<b>34,133</b>	<b>35,351</b>
<b>Accumulated Depreciation</b>						
0	(15,645)	(15,645)	Balance at 1 April	0	(18,296)	(18,296)
0	(3,133)	(3,133)	Depreciation Charge	0	(3,531)	(3,531)
0	482	482	Derecognition-Disposals	0	921	921
0	0	0	Reclassification	0	0	0
<b>0</b>	<b>(18,296)</b>	<b>(18,296)</b>	<b>Balance at 31 March</b>	<b>0</b>	<b>(20,906)</b>	<b>(20,906)</b>
<b>Net Book Value</b>						
267	12,585	12,852	Balance at 31 March 2022			
409	13,923	14,332	Balance at 31 March 2023	409	13,923	14,331
			Balance at 31 March 2024	1,218	13,227	14,445

### 9.1 Recognition

Expenditure on an individual item or a project or programme of work is capitalised when the following de-minimis level is met:-

- ICT £10,000
- Plant and Equipment £10,000
- Vehicles £10,000

### 9.2 Depreciation

A review of asset lives has taken place in 2023/24 and the useful life for some assets have been amended. The following useful lives and approaches to depreciation have been used to calculate depreciation charges:

#### 9.2.1 Information and Communications Technology (ICT)

Classes of ICT assets are given specific asset lives these are within the range 1-9 years. ICT assets are depreciated monthly over the forecast useful life of the asset.

# Chief Constable for Dorset

## Note 9 Vehicles, ICT and Equipment Continued

### 9.2.2 Plant and Equipment

Classes of plant and equipment assets are given specific asset lives these are within the range 1-19 years. These assets are depreciated monthly over the forecast useful life of the asset.

### 9.2.3 Vehicles

Classes of vehicle are given specific asset lives. These are within the range 1-54 years. Vehicles are depreciated monthly over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered.

### 9.3 Asset Transfers

No assets have been transferred from the Police and Crime Commissioner to the Chief Constable in 2023/24.

### 9.4 Componentisation

Component assets are recognised separately from the main asset that they are associated with when the value of the component is more than 25% and greater than £1mn of the main asset value. No assets have met the criteria in 2023/24.

### 9.5 De-recognition

An annual review of assets classed as Vehicles, ICT, and Plant and Equipment has been undertaken which has resulted in the derecognition of a number of assets that have reached the end of their useful lives or which have been disposed.

### 9.6 Impairment

No assets were identified as being impaired in 2023/24.

## Note 10 Debtors

31 March 2023		31 March 2024
£'000		£'000
8,543	Central government bodies	7,655
2,871	Other local authorities	2,682
45	National Health Service	8
7,376	Other entities and individuals	6,870
<b>18,835</b>	<b>Total Debtors</b>	<b>17,215</b>

## Note 11 Creditors

31 March 2023		31 March 2024
£'000		£'000
(3,250)	Central government bodies	(3,257)
(4,048)	Other local authorities	(3,375)
(3)	National Health Service	0
(5,973)	Other entities and individuals	(8,164)
<b>(13,274)</b>	<b>Total Creditors</b>	<b>(14,796)</b>

# Chief Constable for Dorset

## Note 12 Provisions

2023/24		£'000
<b>Current Liabilities</b>		
<b>Balance at 1 April 2023</b>		<b>(233)</b>
Additional provisions made		(534)
Amounts used/reversed/change in reserve		(3)
<b>Balance at 31 March 2024</b>		<b>(770)</b>

2022/23		Other £'000
<b>Current Liabilities</b>		
<b>Balance at 1 April 2022</b>		<b>(230)</b>
Additional provisions made		(3)
Amounts used		0
<b>Balance at 31 March 2023</b>		<b>(233)</b>

The provisions mainly relate to contractual pay claims. The current level of the provision is estimated to be sufficient to meet known claims. These payments are expected to be made in 2024/25.

## Note 13 Accumulated Absences

The Chief Constable provides benefits to employees in the form of annual leave. In addition, staff who work hours in excess of their contract hours may be awarded time off in lieu. These are accumulating absences that may be carried forward for use in future periods. The obligation to make future payments is recognised in the Comprehensive Income and Expenditure Statement and is a liability on the Chief Constable's Balance Sheet as follows:

2022/23 £'000		2023/24 £'000
(2,749)	<b>Balance at 1 April</b>	(2,521)
2,749	Settlement or cancellation of accrual made at the end of the preceding year	2,521
(2,521)	Amounts accrued at the end of the current year	(2,671)
228	<b>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</b>	(150)
(2,521)	<b>Balance at 31 March</b>	(2,671)

# Chief Constable for Dorset

## Note 14 External Audit Costs

The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts:

2022/23 £'000		2023/24 £'000
20	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	47
0	Additional fees in relation to regulation changes	5
<b>20</b>	<b>As per the audit plan</b>	<b>52</b>
0	Estimated fees payable to external auditors with regard to external audit services carried out by the appointed auditor for prior years	17
<b>20</b>	<b>Total</b>	<b>69</b>

# Chief Constable for Dorset

## Note 15 Officers' Remuneration

### 15.1 Remuneration

This note shows the officer remuneration costs for officers and staff employed by the Chief Constable above the rank of Superintendent and the staff equivalent:

2023/24	Note	Salary, Fees and Allowances £	Bonuses, Subsistence & Expenses & Allowances £	Benefits in Kind £	Total Remuneration excl Pension Contributions £	Employers Pension Contributions £	Compensation for loss of employment £	Total Remuneration incl Pension Contributions £
<b><u>Chief Constable</u></b>								
<b><u>Salary £150,000 plus per year</u></b>								
Chief Constable - Amanda Pearson		185,156	0	0	185,156	53,883	0	239,039
<b><u>Salary £50,000 to £149,999 per year</u></b>								
Deputy Chief Constable to 06/08/23	1	47,542	0	1,652	49,194	14,514	0	63,708
Deputy Chief Constable from 31/07/23 to 31/03/24 - Assistant Chief Constable from 01/04/23 to 30/07/23		138,299	0	0	138,299	38,125	0	176,424
Assistant Chief Constable		139,196	0	0	139,196	35,260	0	174,456
Assistant Chief Constable from 09/05/23 to 31/03/24 - Chief Superintendent from 01/04/23 to 08/05/23		130,939	0	0	130,939	35,112	0	166,051
Assistant Chief Constable from 11/09/23 to 31/03/24 - Detective Chief Superintendent from 01/04/23 to 10/09/23		113,911	0	0	113,911	32,177	0	146,088
Chief Financial Officer		122,733	0	0	122,733	20,830	0	143,563
Director of People and Support Services		119,765	0	5,224	124,989	23,288	0	148,277
Chief Superintendent		109,429	0	0	109,429	30,556	0	139,985
Chief Superintendent from 10/05/23		89,714	0	0	89,714	25,713	0	115,427
Chief Superintendent to 11/06/23		20,350	0	0	20,350	5,726	0	26,076
Chief Superintendent		101,966	0	0	101,966	29,699	0	131,665
Chief Superintendent from 11/09/23		52,362	0	0	52,362	14,436	0	66,798
Chief Superintendent from 07/08/23		66,456	0	0	66,456	19,048	0	85,504
Chief Superintendent to 25/10/23		59,789	0	0	59,789	16,444	0	76,233

# Chief Constable for Dorset

## Note 15 Officers' Remuneration Continued

2022/23	Note	Salary, Fees and Allowances £	Bonuses, Subsistence & Expenses Allowances £	Benefits in Kind £	Total Remuneration excl Pension Contributions £	Employers Pension Contributions £	Compensation for loss of employment £	Total Remuneration incl Pension Contributions £
<b>Chief Constable</b>								
<b>Salary £150,000 plus per year</b>								
Chief Constable from 01/03/23 - Amanda Pearson		14,817	0	0	14,817	4,314	0	19,131
Chief Constable to 21/02/23 - Scott Chilton		151,854	0	0	151,854	18,827	0	170,681
Deputy Chief Constable to 15/09/22 and from 11/10/22 to 31/01/23 and from 01/03/23 to 31/03/23 - Chief Constable from 16/09/22 to 10/10/22 and 01/02/23 to 28/02/23 - Sam De Reya		138,200	0	5,794	143,994	42,842	0	186,836
<b>Salary £50,000 to £149,999 per year</b>								
Assistant Chief Constable from 01/04/22 to 31/01/23 and from 01/03/23 to 31/03/23 - Deputy Chief Constable from 01/02/23 to 28/02/23		120,082	0	0	120,082	33,877	0	153,959
1	Assistant Chief Constable	118,329	0	0	118,329	28,786	0	147,115
Assistant Chief Constable from 01/02/23 to 28/02/23 - Chief Superintendent to 31/01/23 and from 01/03/23 to 31/03/23		104,296	500	0	104,796	28,786	0	133,582
2	Assistant Chief Constable (Regional) to 29/08/22	49,034	0	4,320	53,354	15,201	0	68,555
Chief Financial Officer from 02/01/23		27,929	0	0	27,929	4,597	0	32,526
Chief Financial Officer to 31/01/23		65,259	0	0	65,259	10,239	0	75,498
Director of People and Support Services		110,329	0	4,093	114,422	19,627	0	134,049
Chief Superintendent		100,327	500	0	100,827	27,880	0	128,707
Chief Superintendent to 25/10/22		56,070	0	0	56,070	16,221	0	72,291
Chief Superintendent		102,083	0	0	102,083	28,644	0	130,727
Chief Superintendent from 15/08/22		60,518	0	0	60,518	17,303	0	77,821
Chief Superintendent to 18/10/22		56,831	0	0	56,831	15,160	0	71,991
Chief Superintendent		99,604	0	0	99,604	26,292	0	125,896
3	Chief Superintendent - ESN Programme Director	98,805	500	0	99,305	27,419	0	126,724

# Chief Constable for Dorset

## Note 15 Officers' Remuneration Continued

### 15.1 Notes

#### 2023/24

- The Deputy Chief Constables for Devon and Cornwall Police and Dorset Police provide some specific services across both Forces. Their employment and associated costs are disclosed within the Statement of Accounts for each of their respective Forces. This arrangement came to an end in August 2023.

#### 2022/23

- The Deputy Chief Constables for Devon and Cornwall Police and Dorset Police provide some specific services across both Forces. Their employment and associated costs are disclosed within the Statement of Accounts for each of their respective Forces.
- The regional Assistant Chief Constable is employed by Dorset Police. Costs are shared between the collaborating Police Forces. More information on the collaboration is shown below.
- Dorset Police fund 13.49% of the Chief Superintendent ESN Programme Director post.

### 15.2 Termination Costs

The total termination costs (exit costs) shown in the table below are the payments made to individuals plus payments to recompense the pension fund for the strain calculated on an actuarial basis in 2022/23 and 2023/24. They relate to staff employed by the Chief Constable. The costs charged in the Comprehensive Income and Expenditure Statement include adjustments for the sharing of costs with Devon and Cornwall Police. The adjustments are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band		
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £'000	2023/24 £'000	
£0 – £20,000	3	0	0	1	3	1	24	4	
£20,001 - £40,000	1	2	0	0	1	2	22	66	
£40,001 - £60,000	1	0	0	0	1	0	45	0	
£60,001 - £80,000	0	0	0	1	0	1	0	76	
£80,001 - £100,000	1	0	0	0	1	0	100	0	
£450,001- £500,000	1	0	0	0	1	0	473	0	
<b>Total included in bandings and in CIES</b>	<b>7</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>4</b>	<b>664</b>	<b>146</b>	
<b>Adjustments to reflect costs charged in Comprehensive Income and Expenditure Statement</b>									
Redundancy cost recharged from Devon and Cornwall Police as part of Strategic Alliance agreement								0	0
Redundancy cost recharged to Devon and Cornwall Police as part of Strategic Alliance agreement								0	(4)
<b>Exit Costs charged to the Comprehensive Income and Expenditure Statement</b>								<b>664</b>	<b>142</b>

# Chief Constable for Dorset

## Note 15 Officers' Remuneration Continued

### 15.3 Remuneration Bands

The figures presented below do not include the remuneration of the senior employees and relevant police officers as they have been disclosed separately but do include other police staff and police officers' remuneration.

<b>2022/23</b>		<b>2023/24</b>
<b>Number of employees</b>	<b>Remuneration Band</b>	<b>Number of employees</b>
215	£50,000 - £54,999	285
135	£55,000 - £59,999	159
59	£60,000 - £64,999	90
20	£65,000 - £69,999	27
6	£70,000 - £74,999	12
7	£75,000 - £79,999	13
3	£80,000 - £84,999	6
3	£85,000 - £89,999	3
3	£90,000 - £94,999	1
2	£95,000 - £99,999	5
0	£105,000 - £109,999	1
1	£115,000 - £119,999	0
0	£145,000 - £149,999	1
1	£205,000 - £209,999	0
<b>455</b>	<b>Total</b>	<b>603</b>

- The above table does not include staff and officers paid below £50,000 who make up approximately 81% of the workforce.
- Pay scales for police officers are set nationally.
- There has been an increase in the number of employees receiving above £50,000. This is mainly due to being in receipt of a pay award during 2023/24 of 7%.

# Chief Constable for Dorset

## Note 16 Related Party Transactions and Collaborations

### 16.1 Related Party Transactions

The Chief Constable is required to disclose material transactions with related parties, including the Police and Crime Commissioner, central government, other local authorities, members, senior officers and their close families. At present all transactions are managed through the Police and Crime Commissioner's Fund Account and are reported in the Group accounts. For this reason, the Chief Constable does not have any transactions with external bodies. Details of the related parties in terms of transactions undertaken at the request of the Chief Constable are as follows:

#### 16.1.1 Officers

The Chief Executive of the Office of the Police and Crime Commissioner has written to all senior officers explaining the need for disclosure. No relevant transactions have been reported.

### 16.2 Collaborations

The Police and Crime Commissioner's Group have signed up to a number of joint operations. This involves joint working with specified Police Forces as part of a collaborative agreement. The activities undertaken involve the use of the assets and resources of the joint operators. The table below shows the regional activities.

2022/23				2023/24
Expenditure £'000	Notes	Joint Operation		Expenditure £'000
3,866	1	South West Regional Forensics Services		3,827
224	2	South West Police Procurement Services		237
1,750	3	South West Regional Organised Crime Unit (ROCU)		2,231
217	4	South West Regional Programme		255
<b>6,057</b>				<b>6,550</b>

#### 16.2.1 South West Regional Forensics Services

South West Regional Forensics Services is a partnership with Avon and Somerset Police, Wiltshire Police and Devon and Cornwall Police as the lead Force. There are bases in all four Forces, with each Force employing a number of staff. The cost totalled £24,983k which was spent on operational costs and was split on a percentage basis, with Devon and Cornwall contributing 36.12%, Avon and Somerset contributing 34.83%, Wiltshire contributing 13.73% and Dorset contributing 15.32%. The Force cost for the year was £3,827k.

#### 16.2.2 South West Police Procurement Services

South West Police Procurement Services is a partnership with Wiltshire Police, Gloucestershire Police, Devon and Cornwall Police, Avon and Somerset Police. Staff are employed by Devon and Cornwall Police and based across the region. The Force cost for the year was £237k. Most of the £1,759k total cost is split on a percentage basis with Dorset contributing 13.49%, Wiltshire Police contributing 12.08%, Gloucestershire Police contributing 11.94%, Devon and Cornwall contributing 31.81% and Avon and Somerset contributing 30.68%.

#### 16.2.3 South West Regional Organised Crime Unit (ROCU)

South West ROCU is a partnership with Devon and Cornwall Police, Wiltshire Police, Gloucestershire Police and Avon and Somerset Police as the lead Force. Staff are employed by each partnering Police Force based within one of two hubs (North and South). The Force cost for the year was £2,231k. The total cost of £16,535k is split on a percentage basis with Dorset Police contributing 13.49%, Devon and Cornwall contributing 31.81%, Wiltshire contributing 12.08%, Gloucestershire contributing 11.94% and Avon and Somerset contributing 30.68%.

# Chief Constable for Dorset

## Note 16 Related Party Transactions and Collaborations Continued

### 16.2.4 South West Regional Programme

The South West Regional Programme is a partnership with Dorset Police, Devon and Cornwall Police, Gloucestershire Police, Wiltshire Police with Avon and Somerset Police as the lead Force. The Programme consists of a range of teams that manage the implementation of collaboration business change projects. Costs are shared with the Forces that are involved in each project. The cost totalled £1,720k of which £1,156 was split on the following percentage basis, with Dorset contributing 13.49%, Avon and Somerset contributing 30.68%, Wiltshire contributing 12.08%, Devon and Cornwall contributing 31.81% and Gloucestershire contributing 11.94%. The remaining costs related to the Quality Standards team and SWF Implementation Manager totalling £531k and £33k with Dorset contributing 14.78% and 16.81% respectively. The Force cost for the year was £240k.

## Note 17 Contingent Liabilities

### 17.1 Compensation Claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into Force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

### 17.2 Police Radio Service

There are currently three matters that are pending resolution between the Home Office and the suppliers of the Police radio service. During 2023/24, the Group paid invoices received from the supplier for the Airwave service as recommended by the Home Office. The invoices reflected charges incurred with discounts applied. The discount could be matched by a potential liability to repay if the supplier is: (i) successful in any further appeal; or (ii) granted interim relief in the form of a further suspension of the charge control pending the outcome of any such appeal. As there is uncertainty present, no liability is recognised in these accounts.

### 17.3 Beckmann

The Police and Crime Commissioner Group has provided a Beckmann indemnity, to cover enhanced redundancy benefits of TUPE'd employees over a certain age. Initial calculations indicate a potential cost of £1.2m however the number of employees affected by this have not yet been confirmed and there is still uncertainty whether the liability will transpire.

# Chief Constable for Dorset

## Note 18 Capital Expenditure and Financing

Within the four-year financial planning model, the Police and Crime Commissioner approves an annual capital programme to provide buildings, vehicles and other equipment for the Force. Part of the capital programme relates to non-current assets under the ownership and control of the Chief Constable. The table below shows what was spent on assets held by the Chief Constable with the finance being provided by the Police and Crime Commissioner.

2022/23 £'000		2023/24 £'000
0	<b>Opening Capital Financing Requirement</b>	0
	<b>Capital Investment:</b>	
1,595	Vehicles	1,348
3,144	Plant, Equipment and ICT	2,326
0	Intangibles	0
0	Revenue Expenditure Funded from Capital Under Statute	171
4,739		3,845
	<b>Less Sources of Finance:</b>	
(4,739)	Delegation from Police and Crime Commissioner - Intra Group Transaction	(3,845)
(4,739)		(3,845)
0	Increase/(Decrease) in Capital Financing Requirement	0
<b>0</b>	<b>Closing Capital Financing Requirement</b>	<b>0</b>

## Note 19 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and staff, the Chief Constable makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. During 2021/22, the Chief Constable operated four pension schemes, three for police officers and one for police staff. From 1 April 2022 members of the police officer pension scheme will accrue benefits in the career average revalued earning (CARE) scheme. Therefore, from this date, the Chief Constable operated two pension schemes, one for police officers and one for police staff. All are defined benefits schemes, providing members with benefits based on their pensionable pay and length of service. The disclosures on pensions use specialist terminology. Definitions are provided in the glossary.

Following successful claims by individuals against the transitional arrangements for many public sector schemes, the Public Service Pensions and Judicial Offices Act was passed in March 2022. This puts in place legislative changes to provide a remedy for members that were in active service on or prior to 31 March 2012 and on or after 1 April 2015. The valuation provided reflects this legislation.

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

A similar adjustment arising from the McCloud/Sargeant judgement has been made for the Local Government Pension Scheme.

The Chief Constable recognises the cost of retirement benefits for police officers and police staff. These costs are reflected in the intra-group transactions between the Chief Constable and the Police and Crime Commissioner. The impact of these transfers is that the pension liabilities on the Chief Constable's Balance Sheet are matched by intra-group debtors which reflect the Police and Crime Commissioner's long-term responsibility to provide funds to enable the Chief Constable to administer the police pensions.

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

### 19.1 Police Officer Schemes

#### 19.1.1 Participation in Pension Schemes

From 1 April 2015 both the 1987 and 2006 Police Officers' pension schemes were replaced by a new scheme with a future accrual based on the career average retained earnings (CARE) model for new entrants. Both final salary police schemes closed from April 2015, however, there is protection for those who were members of the scheme prior to April 2012 who will be entitled to the benefits which would have accrued in their legacy scheme up to April 2022, at the point of their retirement. The new scheme is open to all newly recruited officers.

The police officer pension schemes are unfunded defined benefit final salary schemes administered by the Chief Constable for Dorset, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Pensions are financed from the Chief Constable and employee's (police officers) contributions. Any deficit is met by the Home Office in the form of a top up grant. The Chief Constable's and the employee contributions are paid into a separate Police Officers' Pension Fund Account.

Police Pension Fund Regulations require Police and Crime Commissioners to transfer a sum not exceeding the amount that the Police Pensions Fund is in deficit at 31 March from the Police and Crime Commissioner's General Fund into the Police Pensions 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 Police and Crime Commissioner, who then must repay the amount to central government. The Chief Constable makes payments under the Police Injury Benefits Regulations. These payments are accounted for in the same way as payments under the main police officer pension scheme. The independent actuary has estimated the costs and they are included within Police Officers scheme disclosure.

#### 19.1.2 Reconciliation of present Value of the Scheme of Liabilities (Defined Benefit Obligation)

2022/23 £'000		2023/24 £'000
(1,715,155)	<b>Opening balance at 1 April</b>	<b>(1,135,587)</b>
(32,568)	Current service cost	(12,281)
(44,024)	Interest cost	(53,420)
(7,096)	Contributions from scheme participants	(7,863)
	Remeasurement gains and (losses):	
0	• Actuarial gains/(losses) arising from changes in demographic assumptions	4,504
708,504	• Actuarial gains/(losses) arising from changes in financial assumptions	18,557
(96,515)	• Experience gains/(losses) on defined benefit obligation	(2,589)
49,685	Benefits paid	51,838
0	Past service costs, including curtailments	0
1,582	Injury pension payments	1,880
<b>(1,135,587)</b>	<b>Closing balance at 31 March</b>	<b>(1,134,961)</b>

#### 19.1.3 Transactions relating to Retirement Benefits

The Chief Constable recognises the cost of retirement benefits for police officers in the reported cost of services when they are earned by police officers, rather than when the benefits are eventually paid as pensions. These costs are reflected in the intra-group transactions between the Chief Constable and the Police and Crime Commissioner. The impact of these transfers is that the pension liabilities on the Chief Constable's Balance Sheet are matched by intra-group debtors which reflect the Police and Crime Commissioner's long-term responsibility to provide funds to enable the Chief Constable to administer police pensions.

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

2022/23 £'000	Comprehensive Income and Expenditure Statement	2023/24 £'000
	<b>Cost of Services</b>	
32,568	Current service cost	12,281
0	Past service cost	0
	<b>Financing and Investment Income and Expenditure</b>	
44,024	Net interest expense	53,420
<b>76,592</b>	<b>Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>65,701</b>
	<b>Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	
	Remeasurement of the net defined benefit liability comprising:	
0	• Actuarial (gains)/losses arising on changes in demographic assumptions	(4,504)
(708,504)	• Actuarial (gains)/losses arising on changes in financial assumptions	(18,557)
96,515	Experience (gains)/losses on defined benefit obligation	2,589
<b>(535,397)</b>	<b>Total Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statements</b>	<b>45,229</b>
	<b>Intra-Group Adjustment</b>	
(76,592)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(65,701)
	<b>Actual amounts charged against the General Fund Balance for pensions in the year:</b>	
18,245	Employers' contributions payable to scheme	20,616
25,925	Home Office Top Up Grant	25,238

### 19.1.4 Impact on the Cashflows held by the Police and Crime Commissioner

The liabilities show the underlying commitments that arise from the fact that the Chief Constable has to pay retirement benefits over a long-term period. The total liability of £1.135bn has a substantial impact on the net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position remains healthy, as:

- scheme deficits are met by the Home Office
- finance is only required to be raised to cover police pensions when the pensions are actually paid, not when they are earned

The total employer contributions expected to be made to the Police Pension Fund Account in the year to 31 March 2025 is £22.103mn.

### 19.1.5 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 and salary levels.

The Police Officer Pension Scheme liabilities have been estimated for accounting purposes by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2020.

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

Employer contributions are set every four years as a result of the combined actuarial valuation of the Scheme required by the Home Office on behalf of the Home Secretary. The last combined actuarial valuation was completed at 31 March 2020 and set contributions for the period from 1 April 2024 to 31 March 2027. The next combined actuarial valuation is to be carried out as at 31 March 2024.

The significant assumptions used by the actuary have been:

2022/23	Mortality Assumptions:	2023/24
	<b>Longevity at 65 for current pensioners:</b>	
21.2	Men	21.3
23.5	Women	23.4
	<b>Longevity at 65 for future pensioners:</b>	
22.5	Men	22.5
25.0	Women	24.7
	<b>Financial Assumptions:</b>	
2.90%	Rate of Inflation	3.25%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
4.80%	Rate for discounting scheme liabilities	4.90%

The estimated weighted average duration of the Police Officer schemes is 16 years, and it is this duration that has been used to derive the assumptions. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. Changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2022/23.

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption £'000	Decrease in Assumption £'000
Mortality age rating assumption (increase or decrease in 1 year)	40,511	(39,029)
Rate of increase in salaries (increase or decrease by 0.1%)	2,181	(2,167)
Rate of increase in pensions (increase or decrease by 0.1%)	15,591	(15,190)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(17,015)	17,445

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

### 19.2 Police Staff Scheme

#### 19.2.1 Participation in Pension Schemes

Police Staff are part of the Local Government Pension Scheme administered by Dorset Council. This is a funded defined benefit career average retained earnings scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities over time with investment assets. In addition to the above scheme there are arrangements for the award of discretionary post-employment benefits upon early retirement – this is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. As these benefits are unfunded, cash has to be generated to meet actual pension payments as they fall due.

#### 19.2.2 Transactions Relating to Retirement Benefits

The Chief Constable recognises the cost of retirement benefits for police staff in the reported cost of services when they are earned by police staff 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 in the Police and Crime Commissioner's accounts. The following transactions have been made for the police staff scheme in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

2022/23 £'000	Comprehensive Income and Expenditure Statement	2023/24 £'000
	<b>Cost of Services</b>	
	Service cost comprising:	
12,795	• Current service cost	7,978
444	• Past service cost	0
190	• Administration Expenses	208
	<b>Financing and Investment Income and Expenditure</b>	
680	Net interest expense	35
<b>14,109</b>	<b>Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>8,221</b>
	<b>Other Post Employment Benefits Charged to Comprehensive Income and Expenditure Statement</b>	
	Remeasurement of the net defined benefit liability comprising:	
21,933	• Return on plan assets (excluding the amount included in the net interest expense)	(17,618)
0	• Actuarial (gains)/losses arising on changes in demographic assumptions	(3,199)
(196,639)	• Actuarial (gains)/losses arising on changes in financial assumptions	(7,794)
(55)	Apportionment Adjustment	(509)
0	Other actuarial (gains)/losses	0
30,925	Experience (gains)/loss on defined benefit obligation	749
0	Changes in effect of asset ceiling	23,108
<b>(129,727)</b>	<b>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>2,958</b>

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

2022/23 £'000		2023/24 £'000
	<b>Intra-Group Adjustment</b>	
(14,109)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(8,221)
	<b>Funded Liabilities</b>	
	<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>	<b>£'000</b>
7,825	Employers' contributions payable to scheme	8,106
	<b>Unfunded Liabilities</b>	
	<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>	<b>£'000</b>
13	Retirement benefits payable to pensioners	13

### 19.2.3 Pension Assets and Liabilities recognised in the Balance Sheet

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

31 March 2023 £'000		31 March 2024 £'000
(256,927)	Present value of the defined benefit obligation	(260,826)
0	Changes in effect of asset ceiling	(23,108)
252,162	Fair value of plan assets	284,330
<b>(4,765)</b>	<b>Net liability arising from defined benefit obligation</b>	<b>396</b>

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

### 19.2.4 Reconciliation of present Value of the Scheme of Liabilities (Defined Benefit Obligation)

31 March 2023 £'000		31 March 2024 £'000
<b>(403,101)</b>	<b>Opening balance at 1 April</b>	<b>(256,927)</b>
(12,795)	Current service cost	(7,978)
(10,427)	Interest cost	(12,172)
(2,711)	Contributions from scheme participants	(2,848)
	<b>Remeasurement gains/(losses):</b>	
0	• Actuarial gains/(losses) arising from changes in demographic assumptions	3,199
196,639	• Actuarial gains/(losses) arising from changes in financial assumptions	7,794
(30,925)	• Experience gains/(losses) on defined benefit obligation	(749)
172	Apportionment Adjustment	1,713
(444)	Past service cost including gains/(losses) on curtailments	0
6,665	Benefits paid	7,142
<b>(256,927)</b>	<b>Closing balance at 31 March</b>	<b>(260,826)</b>

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

The Chief Constable's contribution to the Local Government Pension Scheme for the accounting period to 31 March 2025 is estimated to be £7.895mn. This estimation excludes the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024. These projections are based on the assumptions as at 31 March 2024.

31 March 2023 £'000		31 March 2024 £'000
<b>260,772</b>	<b>Opening fair value of scheme assets</b>	<b>252,162</b>
9,747	Interest income	12,137
	<b>Remeasurement gains/(losses):</b>	
(21,933)	• The return on plan assets, excluding the amount included in the net interest expense	17,618
(117)	Apportionment Adjustment	(1,204)
(190)	Administration expenses	(208)
7,837	Contributions from employer	8,119
2,711	Contributions from employees into the scheme	2,848
(6,665)	Benefits paid	(7,142)
<b>252,162</b>	<b>Closing fair value of scheme assets</b>	<b>284,330</b>

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

### 19.2.6 Local Government Pension Scheme assets comprised:

31 March 2023 £'000	Fair Value of Scheme assets	31 March 2024 £'000
	<b>Cash and cash equivalents</b>	
157,148	UK Equities	177,956
16,955	Diversified Growth Fund	18,823
16,424	Other Bonds	18,605
20,290	Property	22,293
19,105	Infrastructure	21,079
4,216	Cash	5,996
16,665	Multi Asset Credit	19,576
1,359	Liability Driven Investment	2
<b>252,162</b>	<b>Total</b>	<b>284,330</b>

### 19.2.7 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 and salary levels.

The liabilities have been estimated by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full triennial valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

2022/23		2023/24
	<b>Long-term expected rate of return on assets in the scheme:</b>	
4.80%	Equity investments	4.95%
4.80%	Bonds	4.95%
4.80%	Other	4.95%
	<b>Mortality assumptions:</b>	
	<b>Longevity at 65 for current pensioners:</b>	
22.2	Men	21.8
24.2	Women	23.9
	<b>Longevity at 65 for future pensioners:</b>	
23.5	Men	23.1
25.6	Women	25.4
	<b>Financial Assumptions:</b>	
2.90%	Rate of inflation	3.15%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
4.80%	Rate for discounting scheme liabilities	4.95%

The past service liability duration has been estimated at 20 years. This duration has been calculated based on the membership data provided for the most recent full valuation of the liabilities at 31 March 2022. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2022/32.

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

It should be noted that as interest rates have increased over recent periods, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £23.594mn. The calculation assumes that:

- There is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- The Employer is a scheduled body and assumed to participate indefinitely
- Primary contributions are considered to be a minimum funding requirement
- The minimum funding requirement exceeds the current cost of accrual then the potential economic benefit from future contribution reductions is nil
- The value of the asset ceiling is therefore nil.

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS 19.

### 19.2.8 Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Mortality age rating assumption (increase or decrease in 1 year)	8,518	(8,229)
Rate of increase in salaries (increase or decrease by 0.1%)	508	(503)
Rate of increase in pensions (increase or decrease by 0.1%)	4,608	(4,475)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(4,877)	5,019

### 19.2.9 Other Assumptions

It is assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

### 19.2.10 Impact on the Cashflows held by the Police and Crime Commissioner

The objectives of the scheme, as administered by Dorset Council, are to keep employer's contributions at as constant a rate as possible. A strategy has been agreed with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation will be carried out as at 31 March 2025 and will set contributions for the period from 1 April 2026 to 31 March 2029.

Dorset Council publishes details of the Fund's performance. More detail can be found on their website <https://dorsetpensionfund.org/>

# Chief Constable for Dorset

## Note 19 Defined Benefit Pension Schemes Continued

### 19.2.11 Total Pensions Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Police and Crime Commissioner Group's obligation in respect of its Police Officer and Police Staff Pension Schemes is as follows.

<b>2022/23</b>		<b>2023/24</b>
<b>£'000</b>		<b>£'000</b>
(1,135,587)	<b>Police Officers Pension Schemes</b>	
	Present value of the defined benefit obligation	(1,134,961)
<b>(1,135,587)</b>	<b>Total Police Officer benefit obligation</b>	<b>(1,134,961)</b>
	<b>Police Staff Pension Scheme</b>	
(256,927)	Present value of the defined benefit obligation	(260,826)
0	Changes in effect of asset ceiling	(23,108)
252,162	Fair value of plan assets	284,330
<b>(4,765)</b>	<b>Total Police Staff benefit obligation</b>	<b>396</b>
<b>(1,140,352)</b>	<b>Net liability arising from defined benefit obligation</b>	<b>(1,134,565)</b>
1,140,352	Pensions Liabilities - Intra-Group Debtor	1,134,565
<b>0</b>	<b>Impact on the Chief Constable Balance Sheet</b>	<b>0</b>



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# **Pension Fund Accounting Statements**



## Chief Constable for Dorset

### Police Officers' Pension Fund Statement

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 Police and Crime Commissioner Group Police Fund. The statement shows income and expenditure for the Police Pension Scheme, this expenditure is not consolidated into the Police and Crime Commissioner Group Accounts.

31 March 2023 £'000		31 March 2024 £'000
	<b>Contributions Receivable</b>	
(16,429)	Employers (normal)	(18,154)
(7,096)	Employees (normal)	(7,864)
(234)	Ill Health capital charge	(583)
	<b>Transfers In</b>	
(84)	Individual transfers from other schemes	(70)
	<b>Benefits payable</b>	
40,784	Pensions	45,229
8,797	Commutations & lump sum retirement benefits	6,657
184	Lump sum death payments	0
	<b>Payment to and on account of leavers</b>	
3	Individual transfers to other schemes	23
<b>25,925</b>	<b>Net amount paid during the year</b>	<b>25,238</b>
<b>(25,925)</b>	<b>Transfer from Police Fund*</b>	<b>(25,238)</b>
<b>0</b>	<b>Net amount payable / receivable for the year</b>	<b>0</b>
<b>*Additional contribution funded from the Police Fund is met by a top up grant from the Home Office</b>		
19,792	Received in year	21,201
6,133	Debtor	4,037
<b>25,925</b>		<b>25,238</b>

The Police Officer Pension Fund is unfunded and has no investment assets.

The Police Officer Pension Fund which is administered by the Chief Constable has been set up for the specific purpose of administering the collection of contributions, the payment of pensions and the refund to central government for the balance outstanding for each year. The fund does not hold any investment assets nor does it reflect the liabilities to pay present and future pensioners.

The main benefits payable are police officer pensions, lump sums that represent the commutation of pensions and other lump sum payments. The employer paid a contribution equal to 31% of police officer pay for 2023/24. As this contribution was insufficient to meet the net costs of benefits after employees' contributions, the account was balanced to nil at the year end by the Home Office top up grant.

The above accounting statement complies with the accounting policies where applicable.

Further information can be found in the Defined Benefits Pension Schemes Note.

This Financial Statement does not take account of liabilities to pay pensions and other benefits after the 31 March 2024.



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# Glossary

# Chief Constable for Dorset

## Glossary

<b>Accounting Period</b>	The period of time covered by the accounts runs from 1 April to 31 March.
<b>Accrual</b>	Amounts included in the final accounts to cover income and expenditure relating to the accounting period but neither paid nor received by 31 March. (For example, goods delivered in March but not invoiced by suppliers until April.)
<b>Actuarial Gains and Losses</b>	Changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.
<b>Actuarial Valuation</b>	An independent report on the financial status of a Pension Fund, which shows the estimated cost today of providing benefits in the future.
<b>Amortised Cost</b>	This method applies to both financial assets and liabilities. It is a method of determining the Balance Sheet carrying amount and periodic charges or credits to the Income and Expenditure Account of a financial instrument from the expected cash flows. This approach sees through the contractual terms (for example discounts and premiums) to measure the real cost from entering into a financial liability.
<b>Appropriation</b>	Charges to the revenue account that build up funds and reserves in the balance sheet.
<b>Asset</b>	Physical assets such as equipment and financial assets such as cash and amounts owed by debtors.
<b>Bid Price</b>	A valuation of financial assets based on the highest price a buyer is willing to offer.
<b>Budget</b>	The plan for providing resources to meet its service obligations. The Office of the Police and Crime Commissioner sets an annual budget within a four year financial strategy.
<b>Capital Expenditure</b>	The cost of buying or building significant assets (e.g. land and buildings) which have a long-term value to the Office of the Police and Crime Commissioner. ( <i>Also referred to as capital spending or capital payments</i> ).
<b>Capital Grants</b>	Grants received that can only be used to pay for capital projects.
<b>Capital Receipts</b>	Income from the sale of capital assets (land, buildings, etc.). In the public sector, there are generally strict rules on what the receipts can be spent on.
<b>Carrying Amount</b>	This is the amount of a financial asset or liability that should be recorded in the Balance Sheet for a given date based upon the correct measurement approach for the financial asset or liability.
<b>Cash Flow Statement</b>	This statement summarises the inflows and outflows of cash.
<b>CIPFA</b>	The Chartered Institute of Public Finance and Accountancy, the professional body that sets accounting standards for the public sector.
<b>CIES</b>	Comprehensive Income and Expenditure Statement.
<b>Contingency</b>	A reserve set aside to meet unexpected costs. For example, the Force always has major operations every year, but can never tell how many will happen or how much each will cost.
<b>Contingent Liability</b>	A possible cost of past events where the amount to be paid is not certain, or when the payment may not actually be made. (For example, where a court case is still undecided.)

# Chief Constable for Dorset

## Glossary Continued

<b>Council Tax</b>	A tax based on the value of property, which is administered by District and Unitary authorities.
<b>Creditors</b>	Amounts owed for work done, goods received or services received, but for which payment has not been made by the end of the accounting period.
<b>Current Assets and Liabilities</b>	Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short-term.
<b>Current Service Cost</b>	The increase in the benefits earned by employees in the current period based on their pay and length of service. This is charged to the net cost of services.
<b>Curtailments</b>	Curtailments arise as a result of the early payment of accrued pensions on retirement on the grounds of efficiency or redundancy or where the Employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.
<b>Debtors</b>	Amounts due but unpaid by the end of the accounting period.
<b>Deferred Charges</b>	Costs built up when preparing for a capital project that does not eventually create or buy a fixed asset. Deferred charges are written out of the accounts in the year they are incurred.
<b>Defined Benefit Scheme</b>	A pension scheme which defines the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.
<b>Depreciation</b>	The accounting principle that spreads the cost of a fixed asset over its useful working life.
<b>Discretionary Benefits</b>	Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under discretionary powers.
<b>Earmarked Reserves</b>	These reserves represent monies set aside to be used for a specific purpose.
<b>Exit Costs</b>	These are costs of packages for which have been committed to. The cost of the package includes the termination benefits, all relevant redundancy costs including compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex gratia payments and other departure costs.
<b>Expected Return on Assets</b>	The average rate of return expected over the remaining life of the pension scheme from the actual investments held by the scheme. Fees charged by investment managers are taken out. The net income is credited to net operating expenditure.
<b>Experience Gains and Losses (IAS 19 Pensions disclosure)</b>	This shows the impact of actual experience differing from the accounting assumptions, such as pension increases differing from those assumed and unexpected membership movements.
<b>Fair Value</b>	This is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price. In most cases, this amount will be the transaction price, e.g. the amount of a loan made.
<b>Fixed Assets</b>	Something of practical use that can be measured in cash terms, e.g. land and buildings, or computer and radio equipment.
<b>FTE</b>	Full Time Equivalent.
<b>FVPL</b>	Classification of Financial asset. FVPL stands for, Fair Value through profit or loss.

# Chief Constable for Dorset

## Glossary Continued

<b>Home Office Grant</b>	A central government grant paid by the Home Office in support of their day to day expenditure.
<b>International Financial Reporting Standards (IFRS)</b>	Accounting standards issued by the International Accounting Standards Board and from which the CIPFA code of Practice on Local Authority Accounting is derived.
<b>Impairment</b>	A loss in the value of a fixed asset, caused by physical damage (such as a major fire) or a significant reduction in market value.
<b>Interest Cost</b>	The expected increase during the period in the present value of the scheme liabilities because members of the scheme are one year closer to retirement. This is charged to net operating expenditure.
<b>LAAP</b>	Local Authority Accounting Panel sets accounting rules for the public sector.
<b>Medium Term Financial Strategy</b>	Often referred to as MTFS, it is the financial plan and management of funding, spending and savings over a four year period.
<b>Minimum Revenue Provision</b>	The minimum amount that must be charged to the General Fund each year.
<b>Non Distributed Costs (NDC)</b>	These are principally past service costs relating to pensions benefits earned in prior periods.
<b>Non-Operational Assets</b>	Fixed assets that are not used to deliver direct services. For example, police houses, or assets that are still being built or are no longer used and about to be sold.
<b>OPCC</b>	Officer of the Police and Crime Commissioner.
<b>Past Service Cost</b>	The increase in the benefits earned by employees from their service in previous years arising because of improved retirement benefits. These costs are paid directly by the employer and are charged to the net cost of services.
<b>Pension Commutation</b>	Commutation is where part of the entitlement to a pension for life is exchanged for a lump sum payable on retirement. This requires a calculation of the current value of the entitlement given up. The calculation is done using actuarial advice. The advice is set out in tables containing 'factors'. The level of the factors depends on age and life expectancy.
<b>Pension Scheme (Defined Benefit)</b>	A pension scheme that pays benefits to members based on the rules of the scheme and not on the value of the pension fund. Benefits are usually based on pay and length of service.
<b>Pension Scheme (Funded)</b>	Each year both employers and members pay standard contributions that are invested in a separate pension fund. Benefits to contributors and their dependants are paid out of investments held in the fund.
<b>Pension Scheme (unfunded)</b>	Members pay a standard contribution each year. The employer then pays the cash difference between members' annual contributions and the annual cost of benefits to contributors and their dependants.
<b>PCC</b>	Police and Crime Commissioner.
<b>PCSO</b>	Police Community Support Officer.
<b>PFS</b>	Police Officers' Pension Fund Statement.
<b>Precept</b>	A levy collected by District and Unitary Councils from council taxpayers on behalf of the Police and Crime Commissioner Group.
<b>Present value ( or Net Present Value)</b>	The amount of money that must be put aside today to pay for a cost in the future, allowing for inflation and interest rates.

# Chief Constable for Dorset

## Glossary Continued

<b>Provisions</b>	Amounts set aside to meet costs that are likely to be incurred, but where the actual amount and timing are uncertain.
<b>Related Parties</b>	Individuals or other bodies who have significant control and influence over the financial and operating policies of an entity.
<b>Reserves</b>	Amounts set aside to meet the cost of specific future expenditure.
<b>Revaluation Reserve</b>	The Reserve records the accumulated gains on the fixed assets arising from increases in value. It is debited with the part of the depreciation charge for the asset relating to the revaluation. Any balance on this account is written back to the Capital Adjustment Account upon disposal of the asset.
<b>Running Costs</b>	Costs from the use of premises, transport and equipment, and other general expenditure needed to provide a service.
<b>Specific Grants</b>	Grants (usually from the Home Office) that can only be spent on named services and projects.
<b>Statement of Standard Accounting Practice</b>	Guidance issued by the Financial Reporting Council (FRC) on how to use and apply accounting standards.
<b>Termination Benefits</b>	These are payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept voluntary redundancy in exchange for those benefits excluding any voluntary early retirements.
<b>Third Party Payments</b>	Payments made to outside contractors and other bodies who provide specialist or support services.
<b>TUPE</b>	Transfer of Undertakings Protection of Employment.