

Chief Constable for Dorset Police

STATEMENT OF ACCOUNTS FOR 2025/26



**DORSET
POLICE**

UNAUDITED

Officers of the Chief Constable

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

Address:

Dorset Police Headquarters
Winfrith
Dorchester
DT2 8DZ

Website:

www.dorset.police.uk

Statement of Accounts 2025/26

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Accompanying Reports



**DORSET
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Narrative Report by Neal Butterworth, Chief Financial Officer

1.0 INTRODUCTION

- 1.1 Welcome to the Chief Constable's Statement of Accounts for 2025/26. 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 2025/26 financial year.
- 1.2 The financial statements provide information on the Chief Constable's financial activities for the year ending 31 March 2026. 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 2025/26 year was David Sidwick who took office on 13 May 2021. His Police and Crime Plan was launched on 29 October 2021 covering the period 2021 to 2029 and was reviewed and updated on 10 October 2024.
- 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 2025/26

- 2.1 The Police and Crime Commissioner for Dorset allocates the majority of the available annual funding to the Chief Constable. In 2025/26, the allocation to the Chief Constable was £179.3mn out of the total Police and Crime Commissioner funding of £182.7mn
- 2.2 The Chief Constable works with the Police and Crime Commissioner in agreeing a Medium Term Financial Plan (MTFP), identifying the budget requirement for the following year and for the subsequent three years.
- 2.3 The national Police Officer Maintenance Grant Programme continued in 2025/26, which has provided for a total of 191 additional officers, bringing total budgeted headcount up to 1,458 officers.
- 2.4 The ongoing need to deliver savings, alongside the significant benefits but also restrictions of the Police Officer Maintenance Programme and Neighbourhood Policing Guarantee, was a particularly prominent issue in 2025/26. Significant unavoidable cost pressures including inflation, pay awards and capital investment requirements required the delivery of planned savings during the year to ensure that a balanced outturn position was achieved. This achievement of a balanced year end position was also considerably helped by the Police and Crime Commissioner's decision to increase the Council Tax by £14 (4.77%).

Narrative Report by Neal Butterworth, Chief Financial Officer Continued

2.5 While investment opportunities were limited against this background, the Force did continue to develop and improve the way that key services were delivered, focussing on achieving ever greater value from existing resources. Some key deliverables were:

- Reduced number of crimes over previous year
- Sustained improvements in positive outcome rate
- Further development of Enhanced Video Response within Contact Management to ensure contact with victims at the earliest opportunities
- Review of the Force leadership model
- Maximised use of Home Office funding to enhance neighbourhood policing with targeted patrols in hot spot areas
- Significant policing of protest activity
- Bringing in enhanced experience in our workforce through increased recruitment of transferees
- Investment in technology to enable more efficient and effective working
- Enhancement of Community Contact Points, and introduction of a mobile police station, to maximise access to our services.

2.6 Alongside these service improvements, the Force needed to achieve a total of £2.4mn in savings and efficiencies in order to balance the budget. The savings programme included: -

- Use of technology to improve efficiency and realise productivity gains, including further automation.
- Using officer time released under the Force Operating Model review to change the workforce mix in areas where this delivered value and operational benefits.
- Rationalisation of the use of estate to derive maximum value from our buildings and ensure that premises are used to best support policing in Dorset.
- Rationalisation of the vehicle fleet to ensure efficiency and effectiveness of service delivery.
- A review of our collaborative arrangements to ensure they continue to deliver value for money, seeking cost savings in alignment with our partners.
- Continued to exploitation of opportunities to generate further income through the provision of training.

3.0 ACTUAL EXPENDITURE IN 2025/26

3.1 The Chief Constable ended the year with an underspend of £4.363mn. This will be transferred to the Budget Management Reserve (£2.787mn) to cover carry forward requests and planned use of underspend in 2026/27, with the balance of £1.576mn transferred to General Balances. This final spend position is reflected in the Expenditure and Funding Analysis in the accounts.

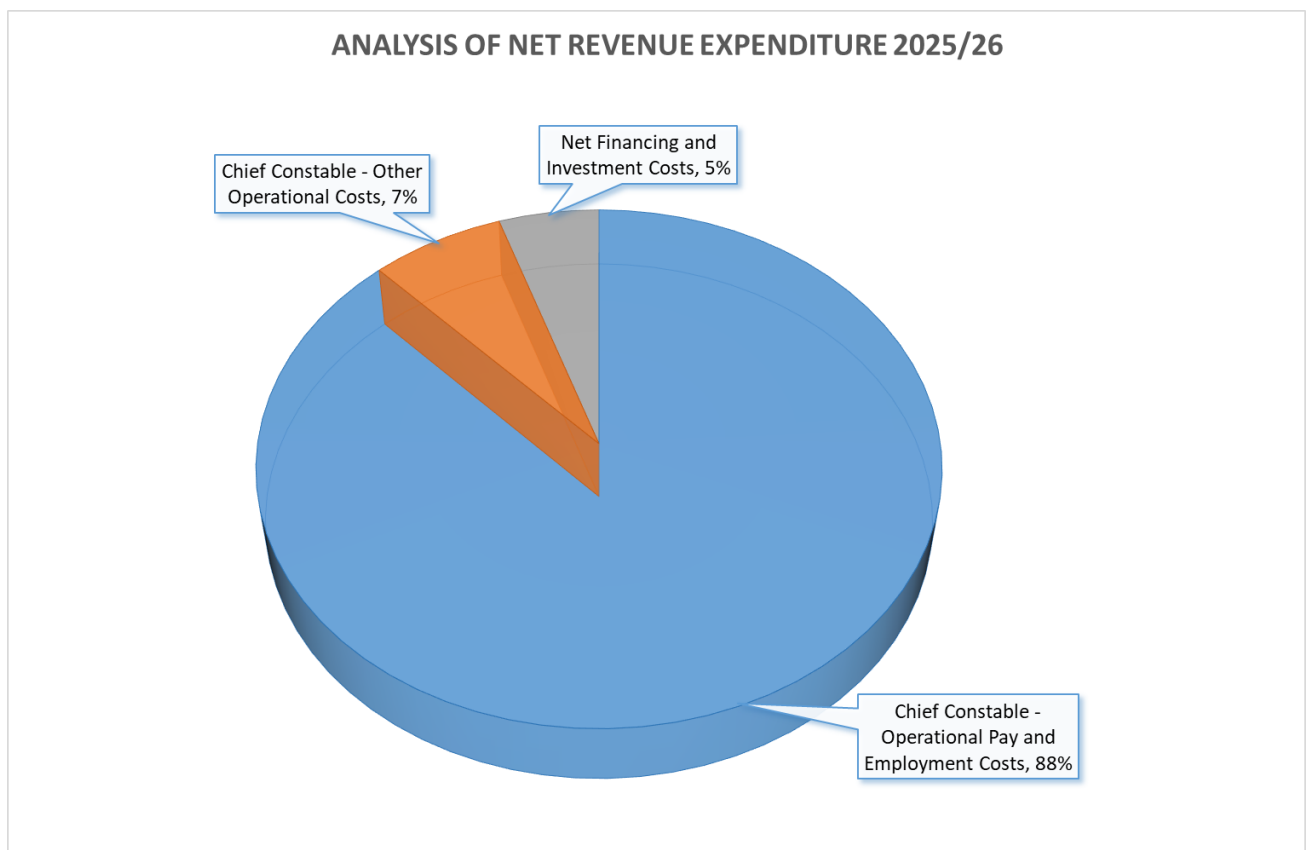
3.2 2025/26 was a challenging year with pressure to maintain the number of officers funded through Police Officer Maintenance Grant arrangements to avoid significant financial penalties, and a higher than budgeted pay award. It was anticipated that a nationally set pay award would be granted in 2025, and the Force assumed a 2.8% increase. The actual pay award was 4.2% from September 2025 for all officers and staff. Additional grant of £0.995mn was received in support of the increased pay award, however this was £0.283mn short of the actual cost, further adding to the in-year budgetary pressures.

3.3 The Force was 28 officers below its headcount target of 1,458 at September 2025 which resulted in a loss of £1.120mn of maintenance grant. However, the Force did achieve its headcount target at 31st March 2026, ending the year 31 officers above the required level. In terms of full time equivalent (FTE) officer numbers, the Force ended the year 25.1 FTE over budgeted establishment.

3.4 Police officer pay ended the year with an underspend position of £3.496mn. This was due to being below the expected level of officers during the first half of the year, and the consequential missing of the September maintenance target. Targeted leadership intervention through the implementation of a Gold command structure, strengthened workforce planning and a focused retention and recruitment recovery programme in the second half of the year, resulted in the full release of the second tranche of funding.

Narrative Report by Neal Butterworth, Chief Financial Officer Continued

- 3.5 The Force closed the year with an overall underspend on staff pay of £1.315mn. This largely reflects a sustained level of vacancies during the year, particularly within Bournemouth Christchurch Poole Local Policing Area and Contact Management. These savings were partially offset by increased use of officer and staff overtime, together with agency staffing, to maintain critical service delivery and performance
- 3.6 The Estates Department closed the year with an underspend of £870,000. This is due to a combination of factors, most notably lower than anticipated electricity expenditure driven by reduced energy prices and lower than anticipated consumption, particularly at Winfrith HQ. Further underspends arose from reduced maintenance costs and an insurance credit relating to the shared PFI facility in Poole. These benefits were partially offset by cleaning costs which increased as a result of inflationary pressures including the impact of the rise in National Insurance contributions.
- 3.7 Income exceeded budgeted levels due to additional grants from the Home Office which offset additional costs to support the pay award, hotspot policing and other one-off grants as well as increased investment income due to higher than anticipated cash balances and interest rates. This was offset by the loss of uplift grant highlighted above.
- 3.8 The chart below shows a breakdown of actual net revenue expenditure for 2025/26 by category of spend.



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 2025/26. 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	1.236
Equipment and ICT	2.743
Revenue Expenditure Funded from Capital under Statute	0.108
	4.087
<u>Funded by</u>	
Delegation from the Police and Crime Commissioner	(4.087)
	0

4.2 Equipment and ICT spend included network resilience work, laptop replacements, telephony replacement, improved mobile policing capability and other smaller items of equipment.

4.3 The purchase of new vehicles has been delivered within delivery timescales as expected, however prices continued to be higher than budgeted.

5.0 WORKFORCE RESOURCES

5.1 Workforce costs make up 88% 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:

31/03/25 (FTE)		31/03/26 (FTE)
1,407	Police Officers	1,449
1,143	Police Staff (Force)	1,111
71	Police Community Support Officer's	69
2,621	Total	2,629

5.2 The budget included provision for 1,424 FTE officers (1,458 headcount).

Narrative Report by Neal Butterworth, Chief Financial Officer Continued

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 2023-25 report showed that Dorset Police was assessed and graded in the following areas:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Recording data about crime	Protecting vulnerable people	Police powers and public treatment	
	Preventing crime	Managing offenders	Responding to the public	
		Developing a positive workplace	Investigating crime	
		Leadership and force management		

The Force was graded “Adequate” in the area of leadership and Force management. Key comments in this area included:

- The Force provides value for money and can show continuous improvement, efficiency savings and improved productivity
 - The Force collaborates to improve services and has a clear focus on evaluation to make sure that these continue to offer benefits
 - The Force has sound financial management processes in place
- 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 2025. 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 2025 – 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.

Narrative Report by Neal Butterworth, Chief Financial Officer Continued

Operational Performance of the Force

6.2 The following table sets out the key movement in activity in 2025/26 when compared to the previous year.

Contact		
999 Calls	+4.7%	↑
Non-Emergency Contacts	-1.1%	↓
Incidents		
Incidents Recorded	-5.0%	↓
Of which, Anti-Social Behaviour	+4.5%	↑
Crime		
All Crime Recorded	-7.3%	↓
Sexual Offences	+1.2%	↑
Of which, Serious Sexual Offences	+1.0%	↑
Violence Against the Person	-5.5%	↓
Of which, Most Serious Violence	-6.6%	↓
Domestic Abuse Crime	-7.7%	↓
Theft	-4.8%	↓
Other		
Arrests Made	-2.6%	↓
Positive Outcomes	+2.0%	↑
Missing Persons	+12.3% (High Risk +34.8%)	↑
Public Protection Notices Issued	-1.0%	↓

6.3 999 call volume has increased over the last 12-months with 137,950 calls received. The % of calls answered within 10 seconds is stable at 92.4%. Single Online Home was introduced in March 2023 whereby the public can undertake online reporting. Over the last 12-months 59,339 online reports have been received, an 11% increase on the previous year.

6.4 Overall crime decreased by 7.3% 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 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 saw a decrease of 5.5% in Violence Against the Person offences and a 7.7% reduction in Domestic Abuse related crimes. The Force is 4th safest in terms of crimes per 1,000 population.

6.5 The Force has made significant improvements in the % of crimes resulting in a positive outcome. The overall positive outcome rate has improved by 2.0% to 16.5% with significant increases in areas such as Most Serious Violence (+2%), Robbery (+3%), Burglary Home (+5%) and Rape (+3%). Overall, over the last 12-months there has been 450 additional positive outcomes compared to the previous 12-months.

6.6 The Force is also developing the Enhanced Video Response Team (EVR) to further improve the Force's response to victims. The team responds to Grade 3 crime, providing improved response times and victim satisfaction.

Narrative Report by Neal Butterworth, Chief Financial Officer Continued

7.0 FUTURE FINANCIAL OUTLOOK

- 7.1 The Chief Constable and the Police and Crime Commissioner formally update the Medium Term Financial Plan (MTFP) annually during the budget setting process. The national economic environment has continued to change since the 2025/26 budget settlement. This has included continued increases in inflation, in particular the September 2025 pay award. Turnover of officers and staff has also become increasingly challenging to predict. As such, the financial outlook for 2026/27 and beyond is different than it was forecast to be last year.
- 7.2 The 2026/27 MTFP shows a balanced budget for 2026/27 after significant savings but there is a forecast budget gap in future years of £2.2mn in 2027/28 increasing to £6.3mn in 2029/30. The forecasts are underpinned by numerous assumptions including staff and officer turnover, pay increases and rates of inflation and interest.
- 7.3 The 2026/27 MTFP 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 MTFP setting out what this looks like for future years.
- 7.5 The strategic approach taken to balancing the 2026/27 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 2026/27 budget through delivery of Priority-Based Budgeting savings from Alliance Departments, alongside a structured productivity and efficiency review programme. The Deputy Chief Constables Operations Board and the Resource Control Board will oversee the delivery of these and further efficiencies to produce a balanced MTFP in future years.
- 7.6 Grant funding for 2026/27 was provided by the new government as a one-year settlement ahead of a further comprehensive spending review for 2027/28 and future years. The core funding increase was £6.0mn which does not fund all of the inflationary increases and other unavoidable pressures faced by the Force in 2026/27
- 7.7 Key areas of uncertainty in future planning are:
- Changes to the Financial Settlement – ringfencing of grants, conditions, future increases are all unknown beyond 2026/27
 - Approach to council tax referendum principles
 - Delivery and funding of the remaining 8,250 police personnel nationally under the Neighbourhood Policing Guarantee
 - Continued impact of council tax premiums for second homes by local billing authorities
 - Police reform and the changes to the Office of the Police and Crime Commissioner.

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 Police and Crime Commissioner and the Chief Constable maintain separate risk registers and collaborate to ensure their accuracy and appropriateness. Further details are set out in the Annual Governance Statement.

Narrative Report by Neal Butterworth, Chief Financial Officer Continued

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 2024/25 £'000	Change £'000	Movements for 2025/26 £'000
Surplus or (Deficit) on the Provision of Services	(34,834)	15,657	(19,177)
Remeasurement of the net defined benefit (liability) asset	34,834	(15,657)	19,177
Total Usable Reserves	0	0	0

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 2025/26 £'000	Gross Income 2025/26 £'000	Net Expenditure 2025/26 £'000
Cost of Services	190,032	(41,315)	148,717
Pensions Top-Up Grant	0	(27,704)	(27,704)
Pensions Interest	76,165	(13,013)	63,152
Intra-Group Adjustments	(247,020)	82,032	(164,988)
(Surplus)/Deficit on Provision of Services	19,177	0	19,177
Remeasurement of the Pensions Net Defined Benefit Liability (Asset)	(19,177)	0	(19,177)
Total Comprehensive Income and Expenditure	0	0	0

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.

Balance Sheet as at 31 March 2026 - shows how the resources available to the Chief Constable are held in the form of assets and liabilities.

Summary Balance Sheet	Balance as at 31/03/2025 £'000	Balance as at 31/03/2026 £'000	Movement £'000
Long Term Assets	1,132,752	1,130,316	(2,436)
Current Assets	30,746	40,073	9,327
Current Liabilities	(30,746)	(40,073)	(9,327)
Long Term Liabilities	(1,132,752)	(1,130,316)	2,436
Net Assets	0	0	0



Narrative Report by Neal Butterworth, Chief Financial Officer Continued

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

Summary Cash Flow Statement	Cash Flows	Cash Flows
	2024/25	2025/26
	£'000	£'000
Net (Surplus) or Deficit on the Provision of Services	34,834	19,177
(Increase)/Decrease in pensions liability	(34,834)	(19,177)
Net Cash (Inflows)/Outflows from Operating Activities	0	0

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:

Reconciliation	2025/26
	£'000
Expenditure and Funding Analysis	
Net Cost of Services - Chief Constable	179,493
Financing and Investment Income and Expenditure	(181)
Total net expenditure funded by Taxation and Non-Specific Grant Income	179,312
Outturn	
Chief Constable	174,949
Transfer to Reserves	4,363
Total net expenditure funded by Taxation and Non-Specific Grant Income	179,312

- 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
15 June 2026

Further Information: This publication provides a review of the financial performance of the Chief Constable for 2025/26. It may be read in conjunction with the [Police and Crime Commissioner/Group Accounts](#) and the [Police and Crime Plan](#).

Independent Auditor's Report to the Chief Constable for Dorset

These Financial Statements have not yet been audited. The audited accounts will be presented to the Independent Audit Committee and published when available.



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

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 2025/26" (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 2026 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 2025.

Neal Butterworth ACMA, CPFA
Chief Financial Officer to the Chief Constable
15 June 2026

Financial Statements



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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 2024/25 and 2025/26 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
Balance at 31 March 2025		0	0	0	0	0	0	0
Movement in Reserves								
Surplus or (Deficit) on the Provision of Services		(19,177)	0	0	0	(19,177)	0	(19,177)
Remeasurement of the net defined benefit (liability) asset		19,177	0	0	0	19,177	0	19,177
Total Comprehensive Income and Expenditure		0	0	0	0	0	0	0
Balance at 31 March 2026		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
Balance at 31 March 2024		0	0	0	0	0	0	0
Movement in Reserves								
Surplus or (Deficit) on the Provision of Services		(34,834)	0	0	0	(34,834)	0	(34,834)
Remeasurement of the net defined benefit (liability) asset		34,834	0	0	0	34,834	0	34,834
Total Comprehensive Income and Expenditure		0	0	0	0	0	0	0
Balance at 31 March 2025		0	0	0	0	0	0	0

Comprehensive Income and Expenditure Statement

This statement reflects the Police and Crime Commissioner's financial resources consumed by the Chief Constable for 2024/25 and 2025/26. 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.

2024/25			2025/26			Notes
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	
192,453	(38,950)	153,503	190,032	(41,315)	148,717	8
192,453	(38,950)	153,503	190,032	(41,315)	148,717	
0	(23,782)	(23,782)	0	(27,704)	(27,704)	
(192,453)	62,732	(129,721)	(190,032)	69,019	(121,013)	
0	0	0	0	0	0	
Cost of Services Net of Pensions Top Up Grant						
Financing and Investment Income and Expenditure						
66,953	(12,715)	54,238	76,165	(13,013)	63,152	18
(66,953)	12,715	(54,238)	(76,165)	13,013	(63,152)	
34,834	0	34,834	19,177	0	19,177	18
Remeasurement of the Net Defined Benefit Liability (Asset) - Intra-Group Transaction						
34,834	0	34,834	19,177	0	19,177	
(Surplus)/Deficit on Provision of Services						
			Remeasurement of the Net Defined Benefit Liability (Asset)			(19,177)
			(34,834) Other Comprehensive Income and Expenditure			(19,177)
			0 Total Comprehensive Income and Expenditure			0

Neal Butterworth ACMA, CPFA
Chief Financial Officer to the Chief Constable

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

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 2025 £'000		31 March 2026 £'000	Notes
	Long Term Assets		
13,881	Vehicles, ICT and Equipment	14,475	12
4	Intangible Assets	2	
1,118,867	Pensions Liabilities - Intra-Group Debtor	1,115,839	
1,132,752	Total Long Term Assets	1,130,316	
	Current Assets		
12,788	Short Term Debtors	19,945	14
254	Inventories	328	
2,893	Accumulated Absences - Intra-Group Debtor	2,897	
501	Provisions - Intra-Group Debtor	396	
14,310	Short Term Creditors - Intra-Group Debtor	16,507	
30,746	Total Current Assets	40,073	
	Current Liabilities		
(14,310)	Short Term Creditors	(16,507)	15
(2,893)	Accumulated Absences	(2,897)	16
(501)	Provisions	(396)	17
(254)	Inventories - Intra-Group Creditor	(328)	
(12,788)	Short Term Debtors - Intra-Group Creditor	(19,945)	
(30,746)	Total Current Liabilities	(40,073)	
	Long Term Liabilities		
(1,118,867)	Pensions Liabilities	(1,115,839)	18
(13,885)	Vehicles, ICT, Equipment and Intangible Assets - Intra-Group Creditor	(14,477)	
(1,132,752)	Total Long Term Liabilities	(1,130,316)	
0	Net Assets	0	

Neal Butterworth ACMA, CPFA
Chief Financial Officer to the Chief Constable

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

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.

2024/25 £'000		2025/26 £'000	Notes
34,834	Net Surplus or (Deficit) on the Provision of Services	19,177	18
	Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements		
(34,834)	Increase/(Decrease) in pensions liability	(19,177)	
<u>0</u>	Net Cash (Inflows)/Outflows from Operating Activities	<u>0</u>	
<u>0</u>	Cash and Cash Equivalents at the end of the reporting period	<u>0</u>	

Notes to the Accounting



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Notes to the Accounting

- Note 1 Accounting Policies
- Note 2 Accounting Standards Issued, Not Adopted
- Note 3 Critical Judgements in Applying Accounting Policies
- Note 4 The Chief Constable as an Accounting Entity
- Note 5 Events After the Reporting Period
- Note 6 Assumptions Made about the Future and Other Major Sources of Estimation and Uncertainty

Note 1 Accounting Policies

1. GENERAL PRINCIPLES

The statement of accounts summarises the Chief Constable's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. The Chief Constable is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, 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 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, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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.

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 who 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

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. This intra-group adjustment is taken into the Police and Crime Commissioner accounts and included within the Movement in Reserves Statement. This allows 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.

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 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 when 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 |

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

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 the 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. Losses recognised are posted to the Comprehensive Income and Expenditure Statement.

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.

Note 1 Accounting Policies Continued

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 FOR NON-CURRENT ASSETS

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year. This comprises

- depreciation attributable to the assets used by the relevant service

The Police and Crime Commissioner is not required to raise council tax to fund the depreciation, amortisation and 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, amortisation and impairment losses 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:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11

All of these standards will be incorporated in the Code from 2025/26. However, CIPFA has indicated that these will not have a significant impact on the amounts anticipated to be reported in the financial statements.

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.
- The use by the Chief Constable of leased assets held by the Police and Crime Commissioner has not been judged to represent a lease arrangement under IFRS 16 as:

There is no contract that gives rise to a lease; the provision of buildings and equipment by the Police and Crime Commissioner to the Chief Constable is more of a statutory requirement rather than a contractual arrangement.

Control of the assets resulting from lease arrangements sits under the Police and Crime Commissioner. The Police and Crime Commissioner makes decisions on buying and selling properties and other assets and entering and terminating lease contracts.

The ultimate benefits of the asset are obtained jointly by the Police and Crime Commissioner and Chief Constable.

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 2025/26.

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 the 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.

Note 4 The Chief Constable as an Accounting Entity Continued

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.

Intra-Group Transactions	2024/25		2025/26	
Comprehensive Income and Expenditure Statements	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
Cost of Services	(153,503)	153,503	(148,717)	148,717
Pensions Top Up Grant	23,782	(23,782)	27,704	(27,704)
Pensions Interest Cost - Intra-Group Transaction	(54,238)	54,238	(63,152)	63,152
Actuarial (Gains)/Losses on Pensions Funds - Intra-Group Transaction	34,834	(34,834)	19,177	(19,177)
Balance Sheet	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
Non-Current Assets/Liabilities				
Pensions Liabilities	(1,118,867)	0	(1,115,839)	0
Pensions Liabilities - Intra-Group Debtor	1,118,867	0	1,115,839	0
Pensions Liabilities - Intra-Group Creditor	0	(1,118,867)	0	(1,115,839)
Vehicles, ICT, Equipment Assets and Intangible Assets	13,885	0	14,477	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Creditor	(13,885)	0	(14,477)	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Debtor	0	13,885	0	14,477
Current Assets/Liabilities				
Current Liabilities	(17,704)	0	(19,800)	0
Current Liabilities - Intra-Group Debtor	17,704	0	19,800	0
Current Liabilities - Intra-Group Creditor	0	(17,704)	0	(19,800)
Current Assets	13,042	0	20,273	0
Current Assets - Intra-Group Creditor	(13,042)	0	(20,273)	0
Current Assets - Intra-Group Debtor	0	13,042	0	20,273
Unusable Reserves				
Intra-Group Transactions	0	(1,109,644)	0	(1,100,889)

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 unaudited statement of accounts was authorised for issue on 15 June 2026. 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 2026, 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 2026 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 are 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.

Notes to the Comprehensive Income and Expenditure Statement



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Notes to the Comprehensive Income and Expenditure Statement

- Note 7 Expenditure and Funding Analysis
- Note 8 Expenditure and Income Analysed by Nature
- Note 9 External Audit Costs
- Note 10 Officers' Remuneration
- Note 11 Related Party Transactions and Collaborations

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.

2025/26									
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			
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total Adjustments
						(Note 7.1)	(Note 7.2)	(Note 7.3)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Constable	179,493	(5,506)	173,987	(25,270)	148,717	(6,055)	(19,219)	4	(25,270)
Cost of Services	179,493	(5,506)	173,987	(25,270)	148,717	(6,055)	(19,219)	4	(25,270)
Pension Top Up Grant	0	0	0	(27,704)	(27,704)	0	(27,704)	0	(27,704)
Intra-Group Transaction	(179,493)	5,506	(173,987)	52,974	(121,013)	6,055	46,923	(4)	52,974
Cost of Services Net of Pensions Top Up Grant	0	0	0	0	0	0	0	0	0
Pensions Interest	0	0	0	63,152	63,152	0	63,152	0	63,152
Pensions Interest - Intra-Group Transaction	0	0	0	(63,152)	(63,152)	0	(63,152)	0	(63,152)
Actuarial (Gains)/Losses on Pension Funds - Intra-Group Transaction	0	0	0	19,177	19,177	0	19,177	0	19,177
(Surplus)/Deficit on the Provision of Services	0	0	0	19,177	19,177	0	19,177	0	19,177



Note 7 Expenditure and Funding Analysis Continued

2024/25									
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			
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	(Note 7.1)	(Note 7.2)	(Note 7.3)	£'000
Chief Constable	169,051	(474)	168,577	(15,074)	153,503	(4,137)	(11,157)	220	(15,074)
Cost of Services	169,051	(474)	168,577	(15,074)	153,503	(4,137)	(11,157)	220	(15,074)
Pension Top Up Grant	0	0	0	(23,782)	(23,782)	0	(23,782)	0	(23,782)
Intra-Group Transaction	(169,051)	474	(168,577)	38,856	(129,721)	4,137	34,939	(220)	38,856
Cost of Services Net of Pensions Top Up Grant	0	0	0	0	0	0	0	0	0
Pensions Interest	0	0	0	54,238	54,238	0	54,238	0	54,238
Pensions Interest - Intra-Group Transaction	0	0	0	(54,238)	(54,238)	0	(54,238)	0	(54,238)
Actuarial (Gains)/Losses on Pension Funds - Intra-Group Transaction	0	0	0	34,834	34,834	0	34,834	0	34,834
(Surplus)/Deficit on the Provision of Services	0	0	0	34,834	34,834	0	34,834	0	34,834

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 are 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:

2024/25 £'000	Expenditure/Income	2025/26 £'000
	Expenditure	
145,275	Employee benefit expenses	143,323
43,727	Other service expenses	43,159
3,451	Depreciation, amortisation and impairment	3,550
192,453	Total Expenditure	190,032
	Income	
(17,320)	Fees, charges and other service income	(14,309)
(21,630)	Government grants and contributions	(27,006)
(23,782)	Pension Top Up Grant	(27,704)
(62,732)	Total Income	(69,019)
129,721	Cost of Services including the Pension Top Up Grant and excluding the Intra-Group Transactions	121,013

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.

Note 9 External Audit Costs

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

2024/25 £'000		2025/26 £'000
54	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	55
54	As per the audit plan	55

Note 10 Officers' Remuneration

10.1 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:

2025/26	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses Allowances £	Benefits in Kind £	Total Remuneration excl. Pension Contributions £	Employers Pension Contributions £	Compensation for loss of employment £	Total Remuneration incl. Pension Contributions £
Chief Constable								
Salary £150,000 plus per year								
Chief Constable - Amanda Pearson		215,234	0	0	215,234	71,739	0	286,973
Deputy Chief Constable - Rachel Farrell		164,456	0	0	164,456	53,815	0	218,271
Assistant Chief Constable - Steve Lyne		150,910	0	0	150,910	49,012	0	199,922
Assistant Chief Constable - Mark Callaghan		150,910	0	0	150,910	49,012	0	199,922
Salary £50,000 to £149,999 per year								
Assistant Chief Constable	1	133,868	36,031	1,710	171,609	43,718	0	215,327
Chief Financial Officer		143,909	0	0	143,909	24,666	0	168,575
Director of People and Support Services		131,903	0	5,659	137,562	24,666	0	162,228

Note 10 Officers' Remuneration Continued

2024/25	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses Allowances £	Benefits in Kind £	Total Remuneration excl. Pension Contributions £	Employers Pension Contributions £	Compensation for loss of employment £	Total Remuneration incl. Pension Contributions £
Chief Constable								
Salary £150,000 plus per year								
Chief Constable - Amanda Pearson		200,486	76	0	200,562	66,641	0	267,203
Deputy Chief Constable - Rachel Farrell		153,493	0	0	153,493	50,053	0	203,546
Salary £50,000 to £149,999 per year								
Assistant Chief Constable		144,951	0	0	144,951	47,016	0	191,967
Assistant Chief Constable		144,916	0	0	144,916	47,016	0	191,932
Assistant Chief Constable		134,151	0	0	134,151	43,225	0	177,376
Assistant Chief Constable (Regional) 03/03/25 to 31/03/25	1	9,393	0	1,090	10,483	3,316	0	13,799
Chief Financial Officer		138,232	0	0	138,232	23,662	0	161,894
Director of People and Support Services		126,532	0	5,224	131,756	23,662	0	155,418

Note 10 Officers' Remuneration Continued

Notes

2025/26

- The regional Assistant Chief Constable is employed by Dorset Police. Costs are shared between the collaborating Police Forces.

2024/25

- The regional Assistant Chief Constable is employed by Dorset Police. Costs are shared between the collaborating Police Forces.

10.2 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 2024/25 and 2025/26. 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		
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	
							£'000	£'000	
£0 – £20,000	2	0	79	1	81	1	944	14	
£20,001 - £40,000	1	0	1	0	2	0	51	0	
£40,001 - £60,000	0	0	1	0	1	0	52	0	
£140,001- £160,000	0	0	0	1	0	1	0	149	
Total included in bandings and in CIES	3	0	81	2	84	2	1,047	163	
Adjustments to reflect costs charged in Comprehensive Income and Expenditure Statement									
Redundancy cost recharged from Devon and Cornwall Police as part of Strategic Alliance agreement							72	3	
Redundancy cost recharged to Devon and Cornwall Police as part of Strategic Alliance agreement							(47)	(117)	
Exit Costs charged to the Comprehensive Income and Expenditure Statement							1,072	49	

Note 10 Officers' Remuneration Continued

10.3 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.

2024/25		2025/26
Number of employees	Remuneration Band	Number of employees
273	£50,000 - £54,999	278
202	£55,000 - £59,999	229
97	£60,000 - £64,999	139
82	£65,000 - £69,999	98
12	£70,000 - £74,999	51
8	£75,000 - £79,999	16
7	£80,000 - £84,999	4
4	£85,000 - £89,999	7
9	£90,000 - £94,999	6
4	£95,000 - £99,999	5
5	£100,000 - £104,999	6
2	£105,000 - £109,999	6
1	£110,000 - £114,999	2
1	£115,000 - £119,999	1
0	£120,000 - £124,999	3
1	£125,000 - £129,999	0
1	£155,000 - £159,999	0
709	Total	851

10.3.1 Notes

- The above table does not include staff and officers paid below £50,000 who make up approximately 73% 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.

Note 11 Related Party Transactions and Collaborations

11.1 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:

11.1.1 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.

11.2 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.

2024/25			2025/26
Expenditure £'000	Notes	Joint Operation	Expenditure £'000
4,287	11.2.1	South West Regional Forensics Services	4,787
263	11.2.2	South West Police Procurement Services	275
2,572	11.2.3	South West Regional Organised Crime Unit (ROCU)	2,805
292	11.2.4	South West Regional Programme	362
7,414			8,229

11.2.1 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 £31.280mn which was spent on operational costs and was split on a percentage basis, with Dorset contributing 15.30%, Avon and Somerset contributing 34.82%, Wiltshire contributing 13.68% and Devon and Cornwall contributing 36.20%. The Force cost for the year was £4.787mn.

11.2.2 South West Police Procurement Services

South West Police Procurement Services is a partnership with Wiltshire Police, Gloucestershire Police and Devon and Cornwall Police and Avon and Somerset Police. Staff are employed by Devon and Cornwall Police and based across the region. The Force cost for the year was £275,000. Most of the £2.034mn total cost is split on a percentage basis with Dorset contributing 13.50%, Wiltshire Police contributing 12.07%, Gloucestershire Police contributing 11.78%, Devon and Cornwall contributing 31.93% and Avon and Somerset contributing 30.72%.

11.2.3 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 £2.805mn. The total cost of £20.777mn is split on a percentage basis with Dorset Police contributing 13.50%, Devon and Cornwall contributing 31.93%, Wiltshire contributing 12.07%, Gloucestershire contributing 11.78% and Avon and Somerset contributing 30.72%.

Note 11 Related Party Transactions and Collaborations Continued

11.2.4 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 £2.328mn of which £1.193mn was split on the following percentage basis, with Dorset contributing 13.50%, Avon and Somerset contributing 30.72%, Wiltshire contributing 12.07%, Devon and Cornwall contributing 31.93% and Gloucestershire contributing 11.78%. The remaining costs related to the Quality Standards team and Regional Project Team totalling £677,000 and £306,000 with Dorset contributing 14.76% and 14.33% respectively. The Force cost for the year was £362,000.



Notes to the Balance Sheet



**DORSET
POLICE**

Notes to the Balance Sheet

Note 12	Vehicles, ICT and Equipment
Note 13	Provisions
Note 14	Accumulated Absences
Note 15	Capital Expenditure and Financing
Note 16	Debtors
Note 17	Creditors
Note 18	Defined Benefit Pension Schemes
Note 19	Contingent Liabilities



Note 12 Vehicles, ICT and Equipment

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

2024/25			Movements	2025/26		
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
1,218	34,133	35,351	Balance at 1 April	723	29,594	30,317
0	(776)	(776)	Reallocation	0	0	0
1,218	33,357	34,575	Restated Balance at 1 April 2024	723	29,594	30,317
778	2,299	3,077	Additions	657	3,321	3,978
0	(7,376)	(7,376)	Disposals	0	(2,768)	(2,768)
(1,273)	1,314	41	Reclassification	(914)	1,224	310
723	29,594	30,317	Balance at 31 March	466	31,371	31,837
			Accumulated Depreciation			
0	(20,906)	(20,906)	Balance at 1 April	0	(16,436)	(16,436)
0	776	776	Reallocation	0	0	0
0	(20,130)	(20,130)	Balance at 1 April 2024	0	(16,436)	(16,436)
0	(3,451)	(3,451)	Depreciation Charge	0	(3,619)	(3,619)
0	7,155	7,155	Derecognition-Disposals	0	2,693	2,693
0	(10)	(10)	Reclassification	0	0	0
0	(16,436)	(16,436)	Balance at 31 March	0	(17,362)	(17,362)
			Net Book Value			
1,218	13,227	14,445	Balance at 31 March 2024			
723	13,158	13,881	Balance at 31 March 2025	723	13,158	13,881
			Balance at 31 March 2026	466	14,009	14,475

12.1 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

12.2 Depreciation

A review of asset lives has taken place in 2025/26 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:

12.2.1 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.

Note 12 Vehicles, ICT and Equipment Continued

12.2.2 Plant and Equipment

Classes of plant and equipment assets are given specific asset lives these are within the range 1-18 years. These assets are depreciated monthly over the forecast useful life of the asset.

12.2.3 Vehicles

Classes of vehicle are given specific asset lives. These are within the range 1-10 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.

12.3 Asset Transfers

A transfer from the Police and Crime Commissioner to the Chief Constable of £310,000 has occurred in 2025/26.

12.4 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 2025/26.

12.5 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.

12.6 Impairment

No assets were identified as being impaired in 2025/26.

Note 13 Capital Expenditure and Financing

Within the four-year financial planning model, the Police and Crime Commissioner approves an annual capital programme to provide and maintain 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.

2024/25		2025/26
£'000		£'000
0	Opening Capital Financing Requirement	0
	Capital Investment:	
942	Vehicles	1,236
2,140	Plant, Equipment and ICT	2,743
229	Revenue Expenditure Funded from Capital Under Statute	108
3,311		4,087
	Less Sources of Finance:	
(3,311)	Delegation from Police and Crime Commissioner - Intra Group Transaction	(4,087)
(3,311)		(4,087)
0	Increase/(Decrease) in Capital Financing Requirement	0
0	Closing Capital Financing Requirement	0

Note 14 Debtors

31 March 2025		31 March 2026
£'000		£'000
3,954	Central Government Bodies	8,278
2,765	Other Local Authorities	3,159
85	National Health Service	6
5,984	Other Entities and Individuals	8,502
12,788	Total Debtors	19,945

Note 15 Creditors

31 March 2025		31 March 2026
£'000		£'000
(3,984)	Central Government Bodies	(3,565)
(3,073)	Other Local Authorities	(4,581)
(79)	National Health Service	(105)
(7,174)	Other Entities and Individuals	(8,256)
(14,310)	Total Creditors	(16,507)

Note 16 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:

2024/25		2025/26
£'000		£'000
(2,671)	Balance at 1 April	(2,893)
2,671	Settlement or cancellation of accrual made at the end of the preceding year	2,893
(2,893)	Amounts accrued at the end of the current year	(2,897)
(222)	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	(4)
(2,893)	Balance at 31 March	(2,897)

Note 17 Provisions

2025/26	£'000
Current Liabilities	
Balance at 1 April 2025	(501)
Additional provisions made	(27)
Amounts used/reversed/change in reserve	132
Balance at 31 March 2026	(396)

2024/25	£'000
Current Liabilities	
Balance at 1 April 2024	(770)
Additional provisions made	0
Amounts used/reversed/change in reserve	269
Balance at 31 March 2025	(501)

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 2026/27.

Note 18 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 is 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.

Note 18 Defined Benefit Pension Schemes Continued

18.1 Police Officer Schemes

18.1.1 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.

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

2024/25 £'000		2025/26 £'000
(1,134,961)	Opening balance at 1 April	(1,119,439)
(13,852)	Current service cost	(8,823)
(54,442)	Interest cost	(63,399)
(8,431)	Contributions from scheme participants	(8,524)
	Remeasurement gains and (losses):	
(10,777)	• Actuarial gains/(losses) arising from changes in demographic assumptions	(20,878)
154,543	• Actuarial gains/(losses) arising from changes in financial assumptions	47,170
(108,314)	• Experience gains/(losses) on defined benefit obligation	(3,226)
54,871	Benefits paid	59,590
1,924	Injury pension payments	2,407
(1,119,439)	Closing balance at 31 March	(1,115,122)

18.1.3 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.

Note 18 Defined Benefit Pension Schemes Continued

2024/25 £'000	Comprehensive Income and Expenditure Statement	2025/26 £'000
	Cost of Services	
13,852	Current service cost	8,823
	Financing and Investment Income and Expenditure	
54,442	Net interest expense	63,399
68,294	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	72,222
	Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
10,777	• Actuarial (gains)/losses arising on changes in demographic assumptions	20,878
(154,543)	• Actuarial (gains)/losses arising on changes in financial assumptions	(47,170)
108,314	Experience (gains)/losses on defined benefit obligation	3,226
32,842	Total Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statements	49,156
	Movement In Reserves Statement	
(68,294)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(72,222)
	Actual amounts charged against the General Fund Balance for pensions in the year:	
24,581	Employers' contributions payable to scheme	25,769
23,782	Home Office Top Up Grant	27,704

18.1.4 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 £1.115bn 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 2027 is £24.556mn.

Note 18 Defined Benefit Pension Schemes Continued

18.1.5 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 2024.

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 will be carried out as at 31 March 2024.

The significant assumptions used by the actuary have been:

2024/25	Mortality Assumptions:	2025/26
	Longevity at 65 for current pensioners:	
21.2	Men	21.9
23.4	Women	23.8
	Longevity at 65 for future pensioners:	
22.5	Men	23.4
24.8	Women	25.4
	Financial Assumptions:	
3.20%	Rate of RPI Inflation	3.30%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
5.80%	Rate for discounting scheme liabilities	6.10%

The estimated weighted average duration of the Police Officer schemes is 14 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. . 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 2024/25.

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)	35,682	(34,517)
Rate of increase in salaries (increase or decrease by 0.1%)	1,298	(1,292)
Rate of increase in pensions (increase or decrease by 0.1%)	14,337	(14,006)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(14,828)	15,172

18.1.6 Amendments to member contribution structures

Following consultation, the Government has recently announced changes to the member contribution structures for both the Police Pension and Firefighters' Pension Schemes, which take effect from 1 April 2026. The changes are anticipated to lead to a slight increase in the average rate of member contributions paid into these Schemes. One consequence of these amendments is that the theoretical future cost of member benefits attributable to authorities is expected to slightly decrease, all else being equal. The impact of this reflected within the projected service cost for the period after 1 April 2026.

Note 18 Defined Benefit Pension Schemes Continued

18.2 Police Staff Scheme

18.2.1 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.

18.2.2 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.

2024/25 £'000	Comprehensive Income and Expenditure Statement	2025/26 £'000
	Cost of Services	
	Service cost comprising:	
7,869	• Current service cost	6,224
210	• Administration Expenses	207
	Financing and Investment Income and Expenditure	
(204)	Net interest expense	(247)
7,875	Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services	6,184
	Other Post Employment Benefits Charged to Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
398	• Return on plan assets (excluding the amount included in the net interest expense)	(17,497)
(584)	• Actuarial (gains)/losses arising on changes in demographic assumptions	(1,512)
(43,420)	• Actuarial (gains)/losses arising on changes in financial assumptions	(12,299)
(1)	Apportionment Adjustment	328
0	Other actuarial (gains)/losses	1,246
(561)	Experience (gains)/loss on defined benefit obligation	18,297
44,786	Changes in effect of asset ceiling	15,324
8,493	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	10,071

Note 18 Defined Benefit Pension Schemes Continued

2024/25 £'000		2025/26 £'000
	Intra-Group Adjustment	
(7,875)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(6,184)
	Funded Liabilities	
	Actual amount charged against the General Fund Balance for pensions in the year:	
£'000	Employers' contributions payable to scheme	£'000
8,495		8,691
	Unfunded Liabilities	
	Actual amount charged against the General Fund Balance for pensions in the year:	
£'000	Retirement benefits payable to pensioners	£'000
13		13

18.2.3 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 2025 £'000		31 March 2026 £'000
(221,002)	Present value of the defined benefit obligation	(238,048)
(68,870)	Changes in effect of asset ceiling	(88,140)
290,444	Fair value of plan assets	325,471
572	Net liability arising from defined benefit obligation	(717)

Note 18 Defined Benefit Pension Schemes Continued

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

31 March 2025 £'000		31 March 2026 £'000
(260,826)	Opening balance at 1 April	(221,002)
(7,867)	Current service cost	(6,224)
(12,513)	Interest cost	(12,766)
(3,032)	Contributions from scheme participants	(3,108)
	Remeasurement gains/(losses):	
584	• Actuarial gains/(losses) arising from changes in demographic assumptions	1,512
43,421	• Actuarial gains/(losses) arising from changes in financial assumptions	12,299
561	• Experience gains/(losses) on defined benefit obligation	(18,297)
1,975	Apportionment Adjustment	0
16,695	Benefits paid	9,538
(221,002)	Closing balance at 31 March	(238,048)

18.2.5 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 2027 is estimated to be £8.125mn. This estimation excludes the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026. These projections are based on the assumptions as at 31 March 2026.

31 March 2025 £'000		31 March 2026 £'000
284,330	Opening fair value of scheme assets	290,444
13,851	Interest income	17,037
	Remeasurement gains/(losses):	
(398)	• The return on plan assets, excluding the amount included in the net interest expense	17,497
(1,974)	Apportionment Adjustment	(328)
(209)	Administration expenses	(207)
8,507	Contributions from employer	8,704
3,032	Contributions from employees into the scheme	3,108
(16,695)	Benefits paid	(9,538)
0	Other actuarial gains/(losses)	(1,246)
290,444	Closing fair value of scheme assets	325,471

Note 18 Defined Benefit Pension Schemes Continued

18.2.6 Local Government Pension Scheme assets comprised:

31 March 2025		31 March 2026
£'000	Fair Value of Scheme assets	£'000
	Cash and cash equivalents	
182,166	UK Equities	210,261
19,371	Diversified Growth Fund	20,731
19,055	Other Bonds	20,257
20,336	Property	20,757
22,313	Infrastructure	24,435
6,337	Cash	6,831
20,866	Multi Asset Credit	22,199
290,444	Total	325,471

18.2.7 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 2025.

The significant assumptions used by the actuary have been:

2024/25		2025/26
	Long-term expected rate of return on assets in the scheme:	
5.85%	Equity investments	6.20%
5.85%	Bonds	6.20%
5.85%	Other	6.20%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.8	Men	22.3
24.0	Women	23.2
	Longevity at 65 for future pensioners:	
23.1	Men	23.9
25.4	Women	24.9
	Financial Assumptions:	
3.10%	Rate of RPI inflation	3.25%
3.85%	Rate of increase in salaries	3.90%
2.85%	Rate of increase in pensions	2.90%
5.85%	Rate for discounting scheme liabilities	6.20%

The past service liability duration has been estimated at 17 years. This duration has been calculated based on the membership data provided for the most recent full valuation of the liabilities at 31 March 2025. 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 2024/25.

Note 18 Defined Benefit Pension Schemes Continued

Due to changes in interest rates in recent years, 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 Chief Constable. 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 £88.140mn. The calculation assumes that:

- The Employer does not have the right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The Employer is a scheduled body and assumed to participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement. For the period beyond the existing rates and adjustments certificate, their best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, in the absence of any other readily available figure.

The analysis shows that:

31 March 2025		31 March 2026
£'000	Net Pension Asset in the Statement of Financial Position	£'000
221,002	Present value of the defined benefit obligation	238,048
(75)	Present value of unfunded obligation	(68)
220,927	Present value of funded obligation	237,980
(290,444)	Fair value of fund assets	(325,471)
(69,517)	Deficit/(Surplus)	(87,491)
68,870	Impact of asset ceiling	88,140
75	Present value of unfunded obligation	68
(572)	Net defined benefit liability/(asset)	717

The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £87.491mn, the initial impact of the asset ceiling is £87.491mn. The actuaries have assessed this minimum requirement and calculated that it constitutes an onerous funding commitment. Therefore, there is an additional liability of £649,000 to be recognised. In addition, there is an unfunded liability of £68,000 resulting in a final deficit to be recognised of £717,000.

A reconciliation of the impact of the asset ceiling is shown below:

	£'000
Opening impact of asset ceiling	68,870
Interest on impact of asset ceiling	4,024
Actuarial losses / (gains)	15,246
Closing impact of asset ceiling	88,140

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

Note 18 Defined Benefit Pension Schemes Continued

18.2.8 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)	6,813	(6,610)
Rate of increase in salaries (increase or decrease by 0.1%)	257	(256)
Rate of increase in pensions (increase or decrease by 0.1%)	3,879	(2,791)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(3,799)	3,897

18.2.9 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.

18.2.10 Virgin Media Case

The background to this case is that where the rules of a contracted-out defined benefit scheme were amended, the Scheme Actuary would provide a "section 37" confirmation that the scheme continues to meet the contracting-out requirements. The original court case in June 2023 decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). Barnett Waddingham understand that the Government Actuary's Department is currently reviewing historic amendments to the Local Government Pension Scheme in this context and the Scheme Advisory Board are liaising with Government Actuary's Department on whether the relevant certificates were available for past scheme changes. HM Treasury is currently assessing the implications for all public service pension schemes; however, HM Treasury do not believe the Virgin Media case expressly addresses whether confirmation is required for public service pension schemes. Barnett Waddingham understands their view to be that the relevant amendments in the Local Government Pension Scheme would have been made by legislation – and therefore would remain valid until revoked or repealed by subsequent legislation or declared void by a court.

Barnett Waddingham advises that there is insufficient information to assess the potential impact of this case. As they are unable to quantify the impact, no provision has been made in the valuation of the Local Government Pension Scheme.

18.2.11 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 17 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 2028 and will set contributions for the period from 1 April 2029 to 31 March 2032.

Dorset Council publishes details of the Fund's performance. More detail can be found on their website [dorsetpensionfund.org/](https://www.dorsetpensionfund.org/)

Note 18 Defined Benefit Pension Schemes Continued

18.2.12 Total Pensions 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 Police Officer and Police Staff Pension Schemes is as follows.

31 March 2025 £'000		31 March 2026 £'000
(1,119,439)	Police Officers Pension Schemes	
	Present value of the defined benefit obligation	(1,115,122)
(1,119,439)	Total Police Officer benefit obligation	(1,115,122)
	Police Staff Pension Scheme	
(221,002)	Present value of the defined benefit obligation	(238,048)
(68,870)	Changes in effect of asset ceiling	(88,140)
290,444	Fair value of plan assets	325,471
572	Total Police Staff benefit obligation	(717)
(1,118,867)	Net liability arising from defined benefit obligation	(1,115,839)
1,118,867	Pensions Liabilities - Intra-Group Debtor	1,115,839
0	Impact on the Chief Constable Balance Sheet	0

Note 19 Contingent Liabilities

19.1 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. 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. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims will be settled under the current compensation mechanism that is provided for under the Public Service Pensions and Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Pennington's claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

19.2 Beckmann

The Chief Constable 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 £700,000 however the number of employees affected by this have not yet been confirmed and there is still uncertainty whether the liability will transpire.

Pension Fund Statement



**DORSET
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Police Officers' Pension Fund Statement (PFS)

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 2025		31 March 2026
£'000		£'000
	Contributions Receivable	
(21,650)	Employers (normal)	(22,143)
(8,431)	Employees (normal)	(8,524)
(1,008)	Ill Health capital charge	(1,219)
	Transfers In	
(21)	Individual transfers from other schemes	(7)
	Benefits payable	
48,424	Pensions	50,621
6,135	Commutations and lump sum retirement benefits	8,890
163	Lump sum death payments	0
	Payment to and on account of leavers	
170	Individual transfers to other schemes	86
23,782	Net amount paid during the year	27,704
(23,782)	Transfer from Police Fund*	(27,704)
0	Net amount payable / receivable for the year	0
	*Additional contribution funded from the Police Fund is met by a top up grant from the Home Office	
24,770	Received in year	32,966
(988)	Debtor	(5,262)
23,782		27,704

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 35.3% of police officer pay for 2025/26. 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 2026.

Glossary



**DORSET
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Glossary

Accounting Period	The period of time covered by the accounts runs from 1 April to 31 March.
Accrual	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.)
Actuarial Gains and Losses	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.
Actuarial Valuation	An independent report on the financial status of a Pension Fund, which shows the estimated cost today of providing benefits in the future.
Agency Staffing	Services provided by one body (the agent) on behalf of, and generally with payment from, the responsible body.
Appropriation	Charges to the revenue account that build up funds and reserves in the balance sheet.
Asset	Physical assets such as equipment and financial assets such as cash and amounts owed by debtors.
Bid Price	A valuation of financial assets based on the highest price a buyer is willing to offer.
Budget	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.
Capital Expenditure	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>).
Capital Grants	Grants received that can only be used to pay for capital projects.
Capital Receipts	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.
Carrying Amount	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.
Cash Flow Statement	This statement summarises the inflows and outflows of cash.
CIPFA	The Chartered Institute of Public Finance and Accountancy, the professional body that sets accounting standards for the public sector.
CIES	Comprehensive Income and Expenditure Statement.
Contingent Liability	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.)
Council Tax	A tax based on the value of property, which is administered by District and Unitary authorities.
Creditors	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.
Current Assets and Liabilities	Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short-term.
Current Service Cost	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.



Glossary Continued

Curtailments	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.
Debtors	Amounts due but unpaid by the end of the accounting period.
Defined Benefit Scheme	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.
Depreciation	The accounting principle that spreads the cost of a fixed asset over its useful working life.
Discretionary Benefits	Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under discretionary powers.
Earmarked Reserves	These reserves represent monies set aside to be used for a specific purpose.
Exit Costs	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.
Expected Return on Assets	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.
Experience Gains and Losses (IAS 19 Pensions disclosure)	This shows the impact of actual experience differing from the accounting assumptions, such as pension increases differing from those assumed and unexpected membership movements.
Fair Value	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.
Fixed Assets	Something of practical use that can be measured in cash terms, e.g. land and buildings, or computer and radio equipment.
FTE	Full Time Equivalent.
Home Office Grant	A central government grant paid by the Home Office in support of their day to day expenditure.
International Financial Reporting Standards (IFRS)	Accounting standards issued by the International Accounting Standards Board and from which the CIPFA code of Practice on Local Authority Accounting is derived.
Impairment	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.
Interest Cost	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.
Medium Term Financial Plan (MTFP)	Often referred to as MTFP, it is the financial plan and management of funding, spending and savings over a four year period.
Minimum Revenue Provision	The minimum amount that must be charged to the General Fund each year.
OPCC	Officer of the Police and Crime Commissioner.



Glossary Continued

Past Service Cost	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.
Pension Commutation	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.
Pension Scheme (Defined Benefit)	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.
Pension Scheme (Funded)	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.
Pension Scheme (Unfunded)	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.
PCC	Police and Crime Commissioner.
PCSO	Police Community Support Officer.
PFS	Police Officers' Pension Fund Statement.
Present value (or Net Present Value)	The amount of money that must be put aside today to pay for a cost in the future, allowing for inflation and interest rates.
Provisions	Amounts set aside to meet costs that are likely to be incurred, but where the actual amount and timing are uncertain.
Related Parties	Individuals or other bodies who have significant control and influence over the financial and operating policies of an entity.
Reserves	Amounts set aside to meet the cost of specific future expenditure.
Specific Grants	Grants (usually from the Home Office) that can only be spent on named services and projects.
Termination Benefits	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.
TUPE	Transfer of Undertakings Protection of Employment.

