



THE CHIEF CONSTABLE OF SURREY

DRAFT

Statement of Accounts for the year 2025/2026

Contents

Narrative Report.....	4
External Auditor's Report	16
Statement of Responsibilities.....	17
Annual Governance Statement.....	18
Movement in Reserves Statement.....	45
Comprehensive Income and Expenditure Statement.....	46
Balance Sheet.....	47
Cash Flow Statement.....	48
Note 1 - Critical Judgements in Applying Accounting Policies.....	49
Note 2 - Going Concern.....	51
Note 3 - Events After the Balance Sheet Date.....	54
Note 4 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty.....	55
Note 5 - Expenditure and Funding Analysis.....	56
Note 6 - Adjustments between Accounting Basis and Funding Basis under Regulations.....	57
Note 7 - Grant Income.....	58
Note 8 - Unusable Reserves.....	59
Note 9 - Debtors.....	60
Note 10 - Creditors.....	61
Note 11 - Provisions.....	61
Note 12 - Joint Audit Committee.....	62
Note 13 - Collaborations.....	62
Note 14 - Officers' Remuneration.....	63
Note 15 - External Audit Costs.....	68
Note 16 - Related Parties.....	68
Note 17 - Defined Benefit Pension Scheme.....	69
Note 18 - Contingent Liabilities.....	78
Note 19 - Contingent Assets.....	79
Note 20 - Financing and Investment Income and Expenditure.....	79
Note 21 - Accounting Policies.....	80

Note 22 - Accounting Standards issued but not yet adopted.....	88
Police Pensions Fund Account Statements as at 31 March 2026	89
Police Pension Funds - Notes.....	90
Glossary of Accounting Terms.....	93

Narrative Report

1. Introduction

The Chief Constable of Surrey Police continues to deliver his vision for the force to fight crime and protect people through the delivery of 'Our Plan', which sets the strategic direction over a five-year period. Financial year 2025/26 represents Year Two of this plan, building on the progress made during 2024/25, with a continued focus on improving outcomes for victims, increasing trust and confidence, and enhancing operational effectiveness.

During the first year of Our Plan, Surrey Police delivered significant improvements in key areas, including Violence Against Women and Girls (VAWG), overall charge rates and arrest volumes. In 2025/26, the focus was to accelerate these improvements, further improving our response to the public. The need for policing continues to increase and grow more complex. A very significant proportion of crime now involves an online element, placing sustained pressure on digital investigative and forensics capacity. Fraud continues to represent a substantial proportion of reported crime nationally, and traditional offence types increasingly involve digital evidence. Organised crime, including county lines, continues to see encrypted communication and technology to evade detection. Surrey Police must therefore ensure it has both the capacity and capability to respond effectively to all crime and threats while meeting public expectations.

Surrey's geographic location represents opportunities and challenges. Proximity to London, a strategic road network, an affluent population alongside deprivation contribute to significant and diverse demand pressures, including cross-border crime. The cost of operating in Surrey remains among the highest nationally which impacts almost all aspects of the operating base including the cost of the estate, workforce, and higher prices in almost all supplies and services.

The Medium Term Financial Plan (MTFP) continues to highlight a significant structural funding deficit driven by external costs growing at a faster rate than funding increases. This is largely a result of nationally agreed pay awards, pension costs, and price inflation in goods and services. Employee costs account for over 75% of spending. Therefore, relatively small changes to employee costs has a large impact on the force's financial position. Surrey Police receives one of the lowest government grant funding nationally and therefore remains heavily reliant on council tax precept. In the face of these challenges, the force remains committed to spending public money wisely and working productively. The established collaboration with Sussex Police continues to provide resilience, economies of scale, and improved capability, supporting both forces in delivering efficient and effective policing.

The Police and Crime Commissioner

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

The PCC holds the force's assets, liabilities and reserves on the PCC balance sheet while the force is responsible for the assets, financial management and operational delivery. The PCC oversees and scrutinises the force's in-year financial management and future financial plans. The PCC incurs costs relating to the Office of the PCC, receives the funding from government grants and council tax precept and is the nominal account holder for the payments for the Group from the overall Police Fund. In turn, the Chief Constable of Surrey fulfils the functions under the Act within an annual budget (set by the PCC in consultation with the Chief Constable). A Scheme of Consent is in operation between the two bodies determining their respective responsibilities, as well as local arrangements in respect of the use of the PCC's assets. The delivery of financial management is conducted by the force's finance department for both the Chief Constable and the PCC.

Accounting Arrangements

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

This Statement of Accounts includes all the financial transactions incurred during 2025/26 relating to the Chief Constable. The consolidated Group position, including the Chief Constable and PCC, have been prepared in a separate Statement of Accounts.

2. The Statement of Accounts

The Financial Statements for 2025/26, which follow this narrative report have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 Based on International Financial Reporting Standards) issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) and comprise of:

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

different to the full accounting cost recorded in the CIES (accounting basis). The adjustments between the funding basis and accounting basis are shown in the Movement in Reserves Statement (MIRS).

- **Movement in Reserves Statement (MIRS).** The Movement in Reserves Statement (MIRS) is a summary of the changes that have taken place in the bottom half of the Balance Sheet over the financial year. It shows the movement in year on the different reserves, analysed into 'useable' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.
- **Balance Sheet.** This shows the value of the assets and liabilities held by the Chief Constable as at 31 March for the current and prior years. The net liabilities (assets less liabilities) are matched by the total reserves.
- **Cash Flow Statement.** This statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. The Chief Constable accounts do not record these transactions and accordingly the net cash impact is £Nil in these accounts. Movements of monies are included in the PCC's Statement of Accounts and only the net deficit on the provision of services and adjustments for non-cash movements are included in the Chief Constable's cash flow statement.
- **Notes to the Accounts.** These provide additional information to support the figures included in the financial statements and are designed to aid the reader. They comprise significant accounting policies and other explanatory information.

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

Governance

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

The Accounts and Audit (England) Regulations 2015 require that the Annual Governance Statement (AGS) should accompany the Statement of Accounts. The Chief Constable's AGS is included within this Statement of Accounts and explains the governance processes and procedures in place to enable the Chief Constable to carry out functions effectively by highlighting the internal control environment, commenting on effectiveness and identifying issues for future work.

3. Financial Arrangements

Setting the Budget

The Chief Constable delivers operational policing against a delivery budget approved by the PCC. The PCC Group net revenue budget (or total budget) for 2025/26 was £332m, of which £328.1m was attributed to policing under the direction of the Chief Constable for the year, the remaining gross revenue budget being attributed to the cost of administering the Office of the PCC.

The following table shows a summary of the annual revenue budget by types of subjective expenditure.

	Actual	Budget	Variance
Cost Type	31-Mar-26 £M	31-Mar-26 £M	31-Mar-26 £M
Employee Related Expenditure	280.5	277.8	2.7
Premises Related Expenditure	13.0	14.0	(1.0)
Transport Related Expenditure	5.7	5.6	0.1
Supplies & Services	35.2	34.3	0.9
Third Party Payments	2.6	1.9	0.7
Capital financing and contributions	17.6	17.5	0.1
Revenue Account - Income	(27.5)	(23.0)	(4.5)
Total	327.1	328.1	(1.0)

Final Revenue Outturn

The Unadjusted Outturn was £327.1m which is £1m underspent against the policing operational delivery budget. However, the Group Total includes unplanned backdated income and slippage for activity that requires funding to be carried forward to address costs into 2026/27. These items are adjusted as they do not form part of the operating cost base, and when removed the Adjusted Outturn is £200k underspent, less than 0.6% variance.

Outturn Report	Variance £m's	
Unadjusted Revenue Outturn	(1.0)	
Cost of Change Projects	0.5	Carry forward of Cost of Change funding
One off backdated income for aerials	0.1	One off income
PCC Slippage	0.2	Total PCC underspend to be transferred to reserves
Adjusted 2025/26 Outturn	(0.2)	

- **Employee Costs**

The most significant adverse variance, reflecting continued pressures in workforce-related costs, driven by a combination of pay awards, headcount being over budgeted establishment, higher pay rates in areas due to length of service and overtime.

- **Premises**

A favourable variance driven mainly by delays in planned maintenance and facilities spend.

- **Transport**

Transport shows a small overspend driven mainly by higher service maintenance and repair costs partially offset by lower fuel and insurance expenses.

- **Supplies & Services and Third-Party Payments**

Supplies and Services together with third-party payments have an overspend largely due to delayed savings targets where a transformation programme hadn't delivered according to plan and was reset, as well as high legal and forensics costs (particularly outsourced digital forensics), though some IT and service areas achieved underspends.

- **Capital Financing & Contributions**

Broadly on budget, with minimal variance and no significant deviation from planned borrowing or capital funding assumptions.

- **Grants & Other Income**

In contrast, grants and other income are significantly favourable driven by additional funding, investment interest income being utilised to support capital financing and income from secondments and operational income streams such as mutual aid offsetting office pay costs.

Comprehensive Income and Expenditure Statement (CIES)

Actual expenditure for the year ended 31 March 2026 compared against the previous year can be seen in the CIES. The CIES measures the financial performance for the year in terms of resources consumed over the period and the funding provided to finance these resources. The accounting basis used to calculate net expenditure funded from the Home Office grants and local taxation. The CIES includes all net expenditure funded from grant and taxation plus notional (non-cash) amounts that are required by accounting regulations e.g. depreciation and changes in the value of property assets, interest charges on leased assets, and calculations of movements in police officer and police staff pension liabilities.

The following table reconciles the Chief Constable's net operational expenditure to the position reported in the CIES. The table shows how the management accounts are adjusted for accounting regulations and statutory adjustments to arrive at the deficit on provision of services reported in the Comprehensive Income and Expenditure Statement.

2024/25		2025/26
Chief Constable £m	Operational Delivery Expenditure	Chief Constable £m
305.5	Actual net Expenditure per revenue outturn report 2025/26	327.1
	<i>Reserve and Provision transfers excluded from (Surplus)/Deficit on Provision of Services:</i>	
(17.3)	Financial year end accounting adjustments	(16.0)
	<i>Amounts in the CIES not in the outturn report:</i>	
13	Depreciation & Amortisation	11.1
(31.0)	Pensions	(41.5)
0	Rounding	0.1
270.2	Net Cost of Services	280.8
(301.4)	Intra-group Adjustment from PCC to CC for resources consumed at the request of the Chief Constable	(322.3)
68.7	Financing and Investment Income & Expenditure including Pension Interest costs and expected return on pension assets	72.7
37.5	Deficit on the provision of services	31.2
(190.2)	Re-measurement of the net defined benefit liability/asset	(40.4)
(152.8)	Total Comprehensive Income and Expenditure	(9.2)

The total net expenditure shown in the CIES includes operating income and expenditure along with adjustments for non-cash accounting transactions for depreciation, capital grants and pension costs in accordance with IAS 19 requirements. A summary of the CIES is shown below. The intra-group funding is a transfer between the PCC and Chief Constable accounts to offset the financial resources consumed at the request of the Chief Constable on behalf of the Group.

4. Capital Expenditure Budget

The force runs a 5-year rolling capital programme, enabling various capital requirements to be reprofiled over the years (brought forward or deferred) to maintain affordability within the funding envelope. During the year, agreed budget virements have been processed including capital carried forward from 2024/25. The PCC approved a Capital Programme of £48.4m in February 2025, however with further slippage requests from 2025/26 and further adjustments the final budget was £27.6m.

The performance against the budget is as shown in the following table:

Capital Summary	2025/26 Original Budget £000's	2024/25 Slippage B/Fwrd £000's	2025/26 Adjustment £000's	2025/26 Total Budget £000's	2025/26 Total Actual £000's	Budget VS Actual Variance £000's
Digital, Data and Technology	3.7	0.5	(1.2)	3.0	2.5	(0.5)
Estates and Facilities	3.5	1.3	(4.6)	0.2	0.0	(0.2)
Estates Strategy	33.5	17.7	(37.8)	13.4	9.5	(3.9)
Transport Services	6.3	1.6	0.3	8.2	7.7	(0.5)
Enterprise Resource Planning	0.0	0.3	0.0	0.3	0.3	0.0
Cost of Change	0.8	1.0	(0.9)	0.9	0.0	(0.9)
Specialist Crime	0.0	0.0	0.0	0.0	0.0	(0.0)
Operations & Protective Security	0.6	0.1	0.0	0.7	0.5	(0.2)
Criminal Justice & Custody	0.0	0.0	0.8	0.8	0.9	0.1
Total	48.4	22.5	(43.4)	27.5	21.4	(6.1)

- **DDaT:** Underspend of **£476k**, primarily due to delayed or cancelled infrastructure projects. While some budgets are no longer required, **£431k will be deferred** into next year.
- **Estates & Facilities:** Underspend of **£150k** due to delayed works on specific projects. Alongside prior in-year adjustments, this results in **£4.8m being carried forward**.
- **Surrey Estates Strategy:** The largest variance, with an **underspend of £4.0m**, reflects delays across major estate programmes. This is partially offset by a **£642k overspend** on the Mount Browne project. Significant funding (**£42.1m**) will be reprofiled into future years in line with updated delivery priorities and timelines.
- **Transport Services:** Underspend of **£411k**, driven by supplier delays affecting vehicle deliveries. Funding will be deferred accordingly.
- **Cost of Change:** Reports an **underspend of £958k**, as fewer projects were approved than anticipated. After adjustments, **£909k will be carried forward** into the next financial year.
- **ERP Programme:** Reports a **£50k underspend** due to ongoing system upgrade work, with funding to be carried forward.
- **Operations & Protective Security:** Reports an **underspend of £183k**, reflecting mixed performance across programmes. Key underspends are partially offset by pressures in the ANPR project. Overall, a **net £315k will be carried forward**, including a residual overspend position.
- **Specialist Crime:** No variance carried forward, as the programme is complete.
- **Criminal Justice & Custody:** CCTV project has been completed and as it was funded through Cost of Change no further slippage is required.

This £21.4m of expenditure for 2025/26 was funded by:

Source of Funding	Capital Financing £m
Other Grants and Income	0.2
Reserves	8.1
Capital Receipts	0.5
Revenue Funding	8.6
In-year Revenue Funding	4.0
Total	21.4

5. Balance Sheet

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

Chief Constable's Balance Sheet			
	31-Mar-25	31-Mar-26	Movement
	£m	£m	£m
Current Assets	0.1	0.1	0.0
Current Liabilities	(1.5)	(3.8)	(2.3)
Long Term Liabilities	(1,308.5)	(1,297.0)	11.5
Net Liabilities	(1,309.9)	(1,300.7)	9.2
Financed by			
Pensions Reserves	1,308.5	1,297.0	(11.5)
Accumulated Absences Account	1.4	3.7	2.3
Total Reserves	1,309.9	1,300.7	(9.2)

The movement between years is predominantly due to a decrease in the long-term pension liability of £11.5m as a result of the annual actuarial review. Originally the Pension calculation came out with an asset of £190m but after applying the asset ceiling adjustment, which is part of IAS19, the figure became a liability of £22.5m.

An asset ceiling adjustment is a calculation that limits the amount of net assets an employer can disclose relative to their funding obligations. It's used to ensure that a company's balance sheet accurately reflects how a pension scheme's rules and funding requirements impact the value of a defined benefit surplus or deficit. The asset ceiling is the present value of any economic benefits that may be available in the form of refunds or reduced future contributions to a plan.

6. Employee Pension Schemes

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

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

Accounting for this commitment has a substantial impact on the net worth of the Balance Sheet, resulting in a negative reserve on the Chief Constable's Balance Sheet totalling £1,300.7m (2024/25 £1,309.9m). This is a net figure as the police staff pension scheme has a surplus (asset) of £190m (£148m in 24/25). This is before any asset ceiling adjustment has been made. After the asset ceiling adjustment is applied under IAS19, the asset then becomes a liability of £22.5m. The police officer pension scheme has a deficit at £1,274.5m (2024/25 £1,305.8m).

The value of the Police Staff pension scheme is assessed triennially, and the employer's contribution is adjusted in line with the actuary's recommendations. The latest triennial valuation completed in November 2025 resulted in employer's contributions remaining at 16.5% with the additional payments depending on the payroll figure. If the payroll increases the payments increase, and if the payroll decreases the payments decrease.

For the police officers pension fund the employer's contribution rate for the 2025/26 year was 35.3%. In 2025/26 costs in excess of the employer's contribution were met by the Home Office by way of the Pension Top-Up Grant and an additional grant of £9.3m.

7. Financial Outlook

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

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

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

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

Usable reserves are a key part of budget setting and financial planning. Such reserves are held on the PCCs Balance Sheet, with the general reserves strategy being to maintain a balance that does not fall below 3% of the budget. Several earmarked revenue reserves are also held for specific purposes or activities and are allocated for use with an expectation they will be consumed over the medium term. The use of reserves assists in financial planning to mitigate short term funding gaps, and to address critical and high priority requirements as they arise. Reserves would not normally be held without a plan to consume them. All reserves are planned for consumption.

The financial resilience and sustainability of the Force is monitored by the production and review of the Medium Term Financial Plan (MTFP). The MTFP supports the Force Business Plan incorporating all known financial and business assumptions along with developing a number of planning scenarios for consideration by the Chief Officer Group.

Following a period of growth, due to the pandemic and other additional ongoing spending pressures, the financial outlook has changed for Surrey Police, as it has for all public and private sector organisations.

The Home Office financial settlement has provided PCCs flexibility to increase the precept by up to £14 in 2025/26 and £15 in 2026/27. In February 2026, the Surrey PCC approved the maximum £15 precept for the 2026/27 financial year to help address externally driven cost pressures from inflation, officer pay awards, pay increments, and contractual obligations. Policing funding comes from several different sources, and with uncertainty surrounding Home Office grants, the precept is more important than ever and absolutely essential to meet be able to maintain policing services and outputs.

The annual revenue budget for 2025/26 was set by the PCC at £332.0m, of which the Chief Constable's operational delivery budget amounts to £328.1m. While this represents an increase on the previous financial year, like most police forces Surrey Police faces a structural funding deficit where the increase in funding is exceeded by the increase in costs, largely caused by nationally mandated pay inflation, and price inflation in supplies and services. This creates further pressure on the police budget, requiring more savings to be made year after year. The 2026/27 Home Office police funding settlement included a material shift in assumptions and national police funding arrangements, with several previously ring-fenced grants, such as the Uplift Maintenance Grants, and National Insurance Grant, being consolidated into the core grant. This means grants that were allocated based on specific headcount targets are now distributed by the police funding formula, which sees Surrey receive 1.3% of the national Core Funding. This has resulted in a reduction in the funding that Surrey Police expected to receive following the Government Comprehensive Spending Review in Summer 2025. The revised settlement is estimated to be approximately £1.8m lower than anticipated.

Details of the plans for revenue and capital expenditure in the 2026/27 budget can be found in the Surrey PCC Precept Setting Proposal. While the annual budget is agreed by the PCC it is scrutinised by the Police and Crime Panel before a final decision is made. Copies of the documents can be obtained from the Office of the Police and Crime Commissioner for Surrey by telephoning or from the website at www.surrey-pcc.gov.uk.

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



Peter Appleton

Chief Finance Officer to the Chief Constable
Date: 30 June 2026

External Auditor's Report

This page is deliberately blank until the External Audit has been completed

Statement of Responsibilities

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

Responsibilities of the Chief Constable:

The Chief Constable is required:

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

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

The Chief Finance Officer is responsible for:

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

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

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent including assessments of going concern;
- Complied with the code and its application to the Accounts of the Chief Constable of Surrey;
- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

To be signed on approval of the audited Statement of Accounts.

Tim De Meyer
Chief Constable
Dated: 30 June 2026

I certify that the draft Statement of Accounts gives a true and fair view of the financial position of the Chief Constable of Surrey at the accounting date and of the income and expenditure for the year ended 31 March 2026.



Peter Appleton
Chief Finance Officer to the Chief Constable
Dated: 30 June 2026

Annual Governance Statement



Surrey Police Chief Constable's Annual Governance Statement 2025-26

This Annual Governance Statement (AGS) covers the period 1 April 2025 to 31 March 2026 and sets out how Surrey Police has complied with its governance framework and the seven principles of good governance. Based on the annual review of effectiveness, the Chief Constable is satisfied that Surrey Police's governance arrangements were fit for purpose during 2025/26.

Key strengths during the year included: a strong ethical framework supported by effective scrutiny; a reasonable overall internal audit opinion; improving maturity of risk management; and effective joint governance arrangements with the Office of the Police and Crime Commissioner (OPCC).

Key areas identified for continued improvement include business continuity and resilience planning, oversight of complex collaborative arrangements, and further strengthening workforce capacity and capability in specialist roles. These areas are reflected in the governance action plan for 2026/27.

1 Introduction

- 1.1 This annual governance statement sets out how Surrey Police has complied with the corporate governance framework set out in the Code of Corporate Governance for the Surrey Police and Crime Commissioner (PCC) and the Chief Constable¹ in place for the year ended 31 March 2026. It also details areas of improvement to further enhance governance arrangements that the force plans to progress during 2025-26.
- 1.2 Publication of the draft unaudited accounts and AGS deadline is 30 June 2026. Publication of the final audited accounts and AGS deadline is 31 January 2027.
- 1.3 This statement is designed to complement the annual governance statement of the Surrey PCC, to give the full overview of governance within Surrey Police and the Office of the PCC.
- 1.4 This statement is informed by an annual review of governance arrangements with assurance on compliance with the seven principles of the Code of Corporate Governance, by on-going audit inspection and external review. The code of Governance can be found [here](#)
- 1.5 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). This term 'authority' includes the Chief Constable and the Police and Crime Commissioner legal entities. This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 published by the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 1.6 Surrey Police continues to follow the principles of the CIPFA Framework: 'Delivering Good Governance in Local Government'² and the guidance notes for policing bodies (revised 2016)³.
- 1.7 Surrey Police (the Force) also uses the CIPFA Financial Management Code (CIPFA FM Code) to support good practice in financial management and to assist in demonstrating financial sustainability.
- 1.8 This statement explains how the Force has complied with the principles and also meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.
- 1.9 The Force's financial management arrangements conform to the governance requirements of CIPFA's Statement 'The Role of CFO's in Policing' (March 2021).

¹ [Code of Corporate Governance](#)

² "Delivering Good Governance in Local Government" <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

³ "Delivering Good Governance in Local Government" and the guidance notes for policing bodies (revised 2016) <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition>

2 Scope of Responsibilities

- 2.1 The Chief Constable and the PCC are responsible for ensuring business is conducted in accordance with the law and proper standards, and that public money is safeguarded and is properly accounted for.
- 2.2 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). This term 'authority' includes the Chief Constable and the PCC legal entities. This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 published CIPFA.
- 2.3 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force, having regard to the strategic direction and priorities set by the PCC in the Police and Crime Plan. In discharging this overall responsibility, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control, which facilitates the effective exercise of these functions.

3 The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems, processes, culture and values by which the Force is directed and controlled, together with its activities through which it accounts to and engages with the community.
- 3.2 It enables the Force to monitor the achievement of its strategic objectives, as set out by the PCC in the Police and Crime Plan⁴ and the Strategic Policing Requirement⁵, and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.
- 3.3 The fundamental function of good governance in the public sector is to ensure that intended outcomes are achieved whilst acting in the public interest at all times.

4 The Governance Framework

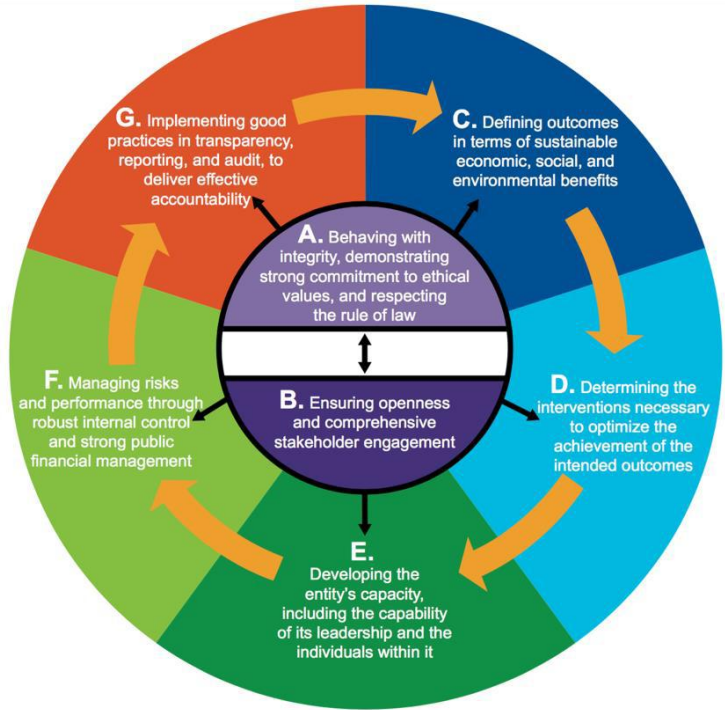
- 4.1 The Chief Constable of Surrey Police is responsible for operational policing matters, direction, and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The PCC is required to hold him/her to account for the exercise of those functions and those of the persons under his/her direction and control. It therefore follows that the PCC must be assured that the Force has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

⁴ Police and Crime Plan: [Police & Crime Plan](#)

⁵ [Strategic Policing Requirement](https://www.gov.uk/government/publications/strategic-policing-requirement): <https://www.gov.uk/government/publications/strategic-policing-requirement>

- 4.2 A governance framework, collectively known as the Scheme of Corporate Governance, has been in place for the year ended 31 March 2026 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision-making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders. The Force system of internal control, based on a framework of policies and procedures, is a significant part of the Force governance framework and is designed to manage risk to a reasonable and foreseeable level. The Force cannot eliminate all risk of failure to achieve policies, aims and objectives; it can only provide reasonable but not absolute assurance of effectiveness.
- 4.3 The Code of Corporate Governance for the Surrey PCC and Chief Constable for Surrey Police and all strategic governance documents that comprise the Scheme of Corporate Governance were reviewed in 2025-26 as part of the annual review of governance documentation and are available on the PCCs website⁶. The joint Code provides a summary of governance arrangements setting out responsibilities. The Code also details a diarised programme for the regular review of policies. A key element of this is the identification and management of risk.
- 4.4 Governance arrangements for both the Force and the PCC follow the seven principles as set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016 Edition). The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other. A summary of how the force complies with these principles is detailed below.

⁶ Governance Documents: [Surrey Police Finances | OPCC for Surrey \(surrey-pcc.gov.uk\)](https://www.surrey-pcc.gov.uk)



4.5 **Principle of Good Governance: A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Code of Ethics	A revised Code of Ethics was published in 2024 and set out guidelines for ethical policing principles to assist police personnel to do the right things, in the right way, for the right reasons. Practical guidance on maintaining public trust and legitimacy. Includes being open, honest and candid, treating all people and their property with fairness, dignity and respect and challenging or reporting behaviour that is unprofessional. Decision making process encourages the use of personal responsibility and professional judgment. Central to the National Decision Model (NDM), by using the Code of Ethics officers and staff can ensure they are acting in a fair and ethical way in everything they do.	<p>The Chief Constable has continued the Ethics Committee with an Independent Chair and Vice-chair to provide advice to the Force on ethical dilemmas raised by individuals or departments, with Information Management process in place to ensure policies and procedures are consistent and developed in consultation with subject matter experts including diversity and staff associations.</p> <p>New Code of Ethics communications – Completion of Module 4</p> <p>NCALT Packages completed by staff</p>
Governance framework incorporates policies and procedures addressing procurement processes, anti-fraud, bribery and corruption supported by publication of expenses, gifts and hospitality	Force policies are reviewed on a documented cycle, published and communicated across the organisation and in the public domain. These include but not limited to; Appropriate relationships and conflicts, Gifts and Gratuities, Lawful Business Monitoring, Notifiable Associations, Substance Misuse and Testing and Anti Fraud, Bribery and Corruption. All of these policies have clear responsibilities for employees to follow.	<p>Governance Framework reported to JAC</p> <p>Policy review compliance reported to Risk Assurance Board and to JAC</p>

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Culture and Standards Board, Ethics Committee, Scrutiny Panels, Independent Advisory Groups	Specific force level strategic board charged with Culture and Standards which is supported by an independently chaired Ethics Committee, External Scrutiny Panels for Use of Force and Stop Search, alongside engagement with Independent Advisory Groups. All of these meetings focus on relevant Authorised Professional Practice, force policy and exploration of continuous improvement.	Complaints of misbehavior are reported to Professional standards and there is an anonymous line to report any incident that does not align with the Code of Ethics
HMICFRS national recommendation work	The PCC monitors all relevant national and force inspection reports with their associated recommendations including but not limited; Police Effectiveness, Efficiency and Legitimacy (PEEL), Abuse of Position for Sexual Purposes, Violence Against Women and Girls, Police Perpetrated Domestic Abuse and Vetting Misconduct and Misogyny.	Replies to the HMICFRS Reports are published on the OPCC website
Standards of Professional Behaviour	Processes are in place to monitor standards of conduct and personal behaviour which are defined and communicated through appropriate codes of conduct and protocols. Standards of integrity, conduct and personal behaviour communicated, accessible and embedded in recruitment, induction, refresher training and focus reviews. (Core Values Framework).	Core Values Framework structure utilized in all entry routes and promotion processes. Annual personal development review undertaken. Regular Governance and Integrity Meetings are held with PSD.

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Whistleblowing arrangements	Professional standards operate the Break the Silence service and the Joint Force Vetting Unit (JFVU) continues to act as a 'critical gatekeeper' for workforce integrity.	Regular publication of force misconduct outcomes with 5 years of historic data
Complaints handling	<p>Clear advice on the complaints process is accessible with escalation signposting.</p> <p>The Chief Constable has considered divisional and IOPC reports published by the Professional Standards Department detailing results and lessons learnt from complaints and investigations to provide further guidance to all employees.</p>	<p>Complaints scrutiny within OPCC</p> <p>The Chief Constable has ensured there is a Force policy regarding use of force, and that it is compliant with Independent Office of Police Conduct (IOPC), (formerly the Independent Police Complaints Commission), report recommendations, which includes the responsibility to fully document at the earliest opportunity the extent and method of force used, and the rationale for that force.</p>
Abuse of Authority awareness	The Chief Constable has ensured that Surrey Police remains proactive in preventing and responding to cases involving "Abuse of Authority", which includes raising awareness for staff, with policies giving clear guidance on standards of sexual integrity expected via bespoke NCALT training package;	The force proactively monitors the rate of completion of the NCALT learning packages.
Anti-fraud, bribery and Corruption Policy	The Chief Constable has ensured a policy on anti-fraud, bribery and corruption is in place (updated Jan 2025) which clearly sets out the procedures to be operated and which is designed to encourage prevention, promote detection and identify a clear pathway for the investigation of fraudulent and/or corrupt practices or behaviour.	Monitoring internal controls and internal audit reports that highlight any potential risk of fraud, bribery or corruption.

4.6 **Principle of Good Governance: B Ensuring openness and comprehensive stakeholder engagement.**

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Community Engagement Strategy	<p>Community Engagement Strategy feeds into community profiles to ensure district plans are built from the community itself.</p> <p>The Chief Constable has ensured that Force engagement with the public takes place on many levels, from daily street contact and phone calls through to contact via social media (Facebook, Twitter etc.), online interaction via the force website and formal surveys in relation to service priorities and in Policing Your Community annual sessions, jointly with the PCC held in each Borough.</p>	<p>Social media Activity. Surrey Police website number of visits. Survey results.</p>
Accountability Meeting Boards	The Chief Constable has meetings with the PCC every 6 weeks meetings to report on progress against the PCC's Police and Crime Plan.	Minutes of the meetings are recorded and the Force holds separate accountability meetings per department.
Freedom of Information policy	Surrey Police website, consistent with national initiative which offers self-service features for the public, greater consistency of advice and guidance and an improved user experience.	Regular updating of ICO mandated action plan to further improve and sustain FOI performance.
Independent Advisory Groups	Engagement with Advisory Groups, whose membership reflect different sections of the community, to encourage the active involvement of people from diverse groups. Stop Search, Use of Force cited as good examples.	Independent Advisory Group engagement and JAC assurance.

Principle B: Ensuring openness and comprehensive stakeholders engagement:

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Performance and workforce data	Performance and workforce data available through the Force website to ensure transparency and to encourage increased public accountability.	Accountability Board minutes per Department. Key performance indicators.
Public Survey	Satisfaction surveys across a range of victim groups (beyond the statutory requirement) are conducted, providing the force with information about the quality of service these groups have received from the police service.	Monitoring rates of response.

4.7 **Principle of Good Governance: C Defining outcomes in terms of sustainable economic, social and environmental benefits.**

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Our Plan: Surrey Police priorities	The Chief Constable set out his strategic plan for Surrey Police called “Our Plan” comprised of 10 missions each with a series of objectives to deliver the outcome vision to fight crime and protect people, striving to earn the trust and confidence of all our communities, putting service before self for those who need us.	Performance is scrutinised and plans overseen at Force Performance Board
Force Management Statement	Produced the required Force Management Statement an assessment of projected demand, together with details of identified areas to be addressed through investment	The Force Management Statement is produced on an annual basis in April-May
Performance framework	<p>Robust performance framework that monitors progress against key indicators, overseen in Force Performance Board and Organisational Governance Board as part of the wider governance structure.</p> <p>The PCC scrutinises and holds the Chief Constable to account at the six-weekly Resources and Efficiency Meetings. Meetings.</p>	<p>HMICFRS attend force governance meetings, within routine inspection framework and periodically for interim scanning purposes.</p> <p>Minutes of the R&E meetings are published online.</p>
Medium Term Financial Strategy	Medium Term Financial Strategy produced annually underpinned by regularly updated medium term financial plans to ensure robust, sustainable multi-year budgets and levels of reserves, to deliver the Police and Crime Plan, reported into Finance Accountability Board and Joint Audit Committee.	The Medium Term Financial Strategy is scrutinised by the PCC. Key decisions are available to the Police & Crime Panel for scrutiny and review and are published on the PCC’s website. The PCC through scrutiny of the revenue and capital budgets ensures that the revenue and capital spending plans are sustainable.

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Change Delivery Governance and management	There is an established Change Delivery function which recognises the importance of strategic planning and integration to incorporate national, regional and local change projects and programmes, business change/adoption and change assurance.	Any major changes to prioritisation are highlighted and worked through at the Change Delivery Governance meetings
Surrey Estates and Facilities Strategy	Estates strategy team implemented with the purpose, of providing leadership, establishing capacity and understanding the Senior Leader appetite working with the Office of the Police Crime Commissioner. The strategy includes defined outcomes. The programme of work reports directly to the OPCC Estates Board and internally to the Property Steering Group.	Internal Audit Report on the Redevelopment of Mount Browne has been issued. Regular reports to JAC
National and Force specific recommendation management	Robust mechanism to record and respond to recommendations and findings from external review, including HMICFRS and the IOPC, which is overseen by the Risk Assurance Board, chaired by the Deputy Chief Constable	HMICFRS progress reports to Risk Assurance Board and HMICFRS monitoring portal. Annual risk assurance review includes horizon scanning on relevant themes

4.8 **Principle of Good Governance D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Code of Corporate Governance	Annual review of the corporate governance framework and key high level governance documents, including the Code of Corporate Governance ensuring the Code is aligned with the CIPFA guidance published in 2016.	Governance documents are reviewed on annual basis and presented to JAC in March.
Risk Management Strategy and Policy	An established risk management strategy and policy in place, reviewed by the Joint Audit Committee, to ensure that threats to the achievement of the Force's organisational objectives and regional and national responsibilities are identified and managed effectively (reviewed April 2024). Established regional and national liaison with other Force Risk Practitioner functions to conduct benchmarking, horizon scanning and shared learning in this area.	Risk Strategy and Policy review featured in Risk Assurance Board and Joint Audit Committee.
Risk assurance process	The force has now conducted a risk assurance process for four consecutive years, to ensure there is effective internal and external scrutiny of the management of strategic risks. This process has been enhanced year on year.	Risk assurance output shared in Risk Assurance Board, JAC and with national risk forum.
Performance framework	Performance framework based on force priorities/strategic objectives, with key performance indicators for individuals, teams, departments and the force. Alignment to PDR and performance meetings from team members through to force level with clear expectations and responsibilities.	Force Performance Board PCC Resource and Efficiency Meeting to hold the Chief Constable to account particularly on performance, risk and improvement and Surrey Police's financial plans including how they will handle budget pressures
Power BI advancements	Power Bi Dashboards, and Data and Insight packs are developed, available online, allowing more users within the force to self-serve and access information previously unavailable to them.	The reports produced by Power BI are a powerful tool to monitor force performance

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Organisational Governance Board (previously Force Organisational Board)	Organisational Governance Board, chaired by the DCC, to review and align the output of the Medium Term Financial Strategy and the Force Management Statement. Detailed demand data is compiled by the force and is presented monthly at the Organisational Governance Board to ensure monitoring of resources against requirements. Annual workshops for the Force Management Statement provide a vehicle for Chief Officers and Department Heads to engage in detail with performance and demand/resourcing data and to review plans and progress.	Actions and Minutes that arise from the Organisational Governance Board demonstrate assurance
Change Delivery	<p>The Change Delivery governance process, attended by Chief Officers, ensures that there is robust scrutiny of the change programmes to ensure that significant and complex change programmes are monitored, reviewed and delivered effectively; the Force employs a Change cycle where business cases are submitted throughout the year and assessed using the prioritisation matrix to ensure the projects and programmes with the most impact and with the most urgency are resourced as a priority.</p> <p>The Force established a multi-year Transformation Programme designed to modernise, simplify and digitise process in order to improve services and outputs and reducing operating costs. This is a high priority for the Force and forms a central component of the financial sustainability plans against a backdrop of significant funding challenges. The programme is anticipated to draw to a close at the end of 2026/27.</p>	<p>SIAP audit on Change Delivery governance and benefit realisation graded reasonable May 2024</p> <p>New Change Delivery Heatmap and Dashboard demonstrated to Joint Audit Committee to provide an overview of how the organisation maps and manages change.</p>

Principle of Good Governance E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
<p>Workforce Plans & Recruitment Strategy</p>	<p>Workforce plan in place across Surrey Police and reviewed regularly, which identifies the future workforce mix and profile requirements and force capability continues to be monitored at the Organisational Governance Board and Force Performance Board. Performance dashboards are in place to assist with identifying skills gaps and disproportionality to workforce planning alongside Focus oversight reporting from Learn.</p>	<p>HMICFRS Value for Money Profiles</p> <p>National Recruitment, Retention and Wellbeing Meeting</p>
<p>Wellbeing Strategy</p>	<p>Wellbeing Strategy in place covering 5 areas – Mind Health, Physical Health, Leadership, Financial Wellbeing, Workplace Wellbeing. There is a dedicated intranet page for each area of the Wellbeing Strategy</p> <p>Mental health first aiders and defuse trained staff across the Force plus Trauma Presentation inputs within CPD and annual wellbeing event focus on initiatives such as mini health checks, advice and guidance.</p> <p>The Chief Constable has continued to work with Unison, the Police Federation and the Superintendent’s Association using the seven point plan (launched Feb 2017) to enable a consistent approach to how assaults on staff and officers are dealt with</p>	<p>The Force website hosts a page providing help and support to staff members</p> <p>Employee Assistance Line is also available</p> <p>Joint Audit Committee receive reports on Workforce, Wellbeing, Recruitment, Training and Health & Safety</p>

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
College of Policing mandated curriculum	College of Policing’s Insights and 360 feedback tools used to give individuals greater self-awareness of their impact on others and the opportunity to adapt to different situations and scenarios. Insight sessions to support understanding of different approaches to leadership and adapting approaches.	Monitoring the number of 360 feedback reviews
Development, talent and leadership programmes Learning and Development Strategy	Leadership Training team provide opportunities for police officers and staff to be mentored or become mentors for new recruits or those going through career progression. Learn Management System is being configured to house all training courses, training and accreditation to provide better reporting on essential skills and training qualifications.	Regional Pay & Conditions Meeting Oscar Kilo – National Award for Creating a Positive Wellbeing environment. Oscar Kilo Blue light Framework overseen by Wellbeing Board.

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Detective succession planning	<p>The Investigative Improvement Board reviews NPCC Recruitment, Retention and Wellbeing (of Investigators) tracker. The Detective Succession Planning Panel reviews where detective and detective supervisors are posted, to ensure the right resources are in the right places.</p> <p>Dedicated Coaching Unit in place to support those that join on the Detective Degree Holder Entry which is best practice to ensure Student Officers have the necessary skills required to complete Independent Patrol.</p>	Monitoring the number of Detectives post required by the Force
Staff surveys	The force continues to engage in a staff survey, with growing engagement scores of the percentage of the force responding. The results are analysed and shared via a variety of channels with action plans put in place to address the highest priority outcomes. Further surveys or deeper investigation will be planned for highlighted areas from the results.	Monitoring the number of participants for each survey
Market Rate and Skills Supplements	Market rate and skills supplements are targeted, evidence-based measures used to attract and retain staff with critical skills, where there is a skills shortage in force, or the market in Surrey is significantly out of kilter with our salary structure.	Central HR oversight to confirm evidence-base of market assumptions and internal equal pay provision.

4.9

Principle of Good Governance F: Managing risks and performance through robust internal control and strong public financial management.

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
Code of Corporate Governance	<p>Decision making is carried out in accordance with the governance framework as set out in the Code of Corporate Governance. Chief officers review and sign assurance statements for their portfolio responsibilities on an annual basis.</p> <p>Ethical decision making embedded at all levels following the National Decision Model (NDM), which has at its centre the policing Code of Ethics.</p>	The Governance documents are reviewed on a regular basis
<p>Integrated financial management, with planning, budgeting, reporting and control.</p> <p>Internal audit arrangements</p> <p>External Audit Arrangement</p>	<p>Maintained effective arrangements to challenge and scrutinise the Force’s own performance, including the development of the Surrey Police performance dashboard and the development of the Force Performance Board which allows scrutiny of delivery against the Police and Crime Plan by both the Force and PCC. Compared performance against peer data as provided by HMICFRS Value for Money profiles, seeking improvement where best practice was identified.</p> <p>The Force’s financial management follows CIPFA best practice and maintains focus on core principles of integrity, ethics, and law underpin financial decision-making, supported by qualified finance professionals operating in line with CIPFA standards. Financial control is reinforced through targeted learning and capability development.</p>	<p>Value for money, external audit cycle.</p> <p>Robust internal audit programme.</p> <p>Internal Audit on Risk Management Framework.</p> <p>External Audit opinion for Value for Money and Statement of the Accounts.</p>

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
<p>Integrated financial management, with planning, budgeting, reporting and control</p>	<p>Procurement Act four part training sessions rolled out to first and second line leaders focusing on procurement processes, changes and obligations.</p> <p>Change programmes and projects are built on comprehensive business cases to secure value for money, effective resources management, and projected benefits, expenditure is scrutinised and challenged by chief officers via relevant programme and project boards led by chief officers. A process is in place between Change Delivery and Finance to manage and monitor the delivery of savings, which has been incorporated into the budget setting process.</p>	<p>Minutes and Actions that arise from Change Planning Board, and Portfolio Strategy Board.</p>
<p>Force Risk Management Strategy and Policy</p>	<p>The risk management strategy and policy is embedded in the governance structure and is used effectively to inform decision making.</p> <p>Business continuity arrangements are in place to meet the requirements outlined in the Civil Contingencies Act 2004, implementing associated audit actions identified in the internal audit cycle. Progress is reported to the Risk Assurance Board.</p> <p>Data protection and information management policies and strategy are in place with a process for Information Sharing Agreements to be reviewed and updated regularly.</p>	<p>Risk Assurance Board risk reporting.</p> <p>Joint Audit Committee regular strategic risk reporting.</p> <p>Risk benchmarking with other Forces.</p> <p>Membership of the National Police Chief Council risk forum.</p> <p>Horizon scanning activities.</p>

To achieve this principle, the Chief Constable has ensured that all decision making is carried out in accordance with the governance framework as set out in the Code of Corporate Governance; and the Chief Constable has continued to work to embed ethical decision making at all levels following the National Decision Model (NDM), which has at its centre the policing Code of Ethics



4.10 **Principle of Good Governance: G Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
<p>Scheduled review of key regulations, codes and protocols</p>	<p>The Surrey PCC and Chief Constable ensure that they work in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The overarching scheme of governance sets out the arrangements in place for effective governance and financial management including the management of risk. It comprises a number of elements as follows;</p> <p>Memorandum of Understanding (MOU) and Schedule of MOU: The MOU describes how the PCC and Chief Constable will work together and ensure sufficient support in areas such as estate management, procurement, finance, HR, communications and corporate development.</p>	<p>Memorandum of Understanding, Financial Regulations, Code of Corporate Governance, Contract Standing Orders, Protocol for Collaborated Services and Scheme of Delegation are shared with the Joint Audit Committee and available online</p>
<p>Robust Internal and External Audit arrangements</p>	<p>Internal audit is provided through a managed service contract with the Southern Internal Audit Partnership and regular updates are provided to the Joint Audit Committee.</p> <p>Force complied with requirements for accounts to be published in line with statutory deadlines and continues to work closely with our external auditors to produce the audited accounts.</p>	<p>Internal audit results and actions are tracked to completion internally via the Risk Assurance Board (Formerly ORB) and reported to the Joint Audit Committee</p> <p>SIAP audit on Governance and monitoring of collaborative arrangements graded reasonable May 2026 (TBC)</p>

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

CONTROLS WHAT IS IN PLACE	STRENGTHS WHAT IS WORKING WELL	HOW ASSURANCE IS SOUGHT AND DEMONSTRATED
External scrutiny from third parties such as Joint Audit Committee	The Chief Constable has continued to support the work of the Joint Audit Committee in its role of monitoring Force governance and internal control.	JAC minutes and actions
Code of Corporate Governance	<p>Code of Corporate Governance: how the PCC and Chief Constable achieve the core principles of 'good governance'.</p> <p>Decision Making Framework: how the PCC makes/publishes key decisions and holds the Chief Constable to account.</p> <p>Scheme of Delegation for PCCs and Chief Constable.</p> <p>Financial Regulations: these set out the framework for managing the PCC's financial affairs.</p> <p>Contract Standing Orders: these describe the rules for the procurement of goods, works and services.</p>	



- 5.1 The Chief Constable has responsibility for conducting a regular review of the effectiveness of the governance framework, including the system of internal audit and control. This annual governance statement provides a summary of activities undertaken.
- 5.2 This review has been co-ordinated by the Financial Accounting Team and informed by senior managers across the Force in order to assess the Force compliance with the CIPFA guidance.
- 5.3 The review of the evidence for the effectiveness of the governance framework, to confirm that the current arrangements are fit for purpose, are presented to meetings of the Force Risk Assurance Board and the Joint Audit Committee. The review also provided updates and confirmation regarding the completion of areas for improvement identified in the annual governance statement.
- 5.4 Assessments and recommendations made by the internal and external auditors and other review agencies and inspectorates have also informed this review.
- 5.5 The Joint Audit Committee has been consulted on the development of the annual governance statement. The final statement is considered at its meeting for recommendation for approval by the Chief Constable. The Committee aims to ensure that there is continuous improvement in the process and endorses the resulting annual action plan. Regular updates on progress to address the areas for improvement are provided to the Committee.
- 5.6 A process is established to ensure the Chief Constable and Surrey PCC, approve and sign off the annual governance statements, in accordance with the CIPFA guidance.

6 Internal Audit Opinion

- 6.1 The CIPFA code requires Internal Audit to provide an opinion on the overall adequacy and effectiveness of the governance framework. That opinion is provided below:

Annual Internal Audit Opinion 2025-26:

The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the PCC and Chief Constable to inform their governance statements. The annual opinion concludes on the overall adequacy and effectiveness of Surrey Police's framework of governance, risk management and control.

For the 12 months ended 31 March 2026, the Chief Internal Auditor's draft opinion for the Office of the PCC for Surrey and the Surrey Police Force is as follows:

"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.

In my opinion frameworks of governance, risk management and management control are reasonable overall and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.”.

7 Governance Issues

Internal Audit

- 7.1 The internal audit function is carried out by Southern Internal Audit Partnership for both the PCC and the Chief Constable. Audit reviews are undertaken in line with an annual internal audit plan, which is reviewed by the Joint Audit Committee. “Joint” audit reviews between Surrey Police and Sussex Police enable a more efficient audit review process.
- 7.2 The overall Annual Internal Audit Opinion for 2025-26 from the Chief Internal Auditor of SIAP was “reasonable”.
- 7.3 Internal Audit reviews resulting in substantial assurance opinions during the 2025-26 year are detailed below.
TBC – The Audit Programme for 2025/26 is ongoing
- 7.4 Internal Audit reviews resulting in reasonable assurance opinions during the 2025-26 year are detailed below.
- SSP Health and Safety Assaults
 - SSP Firearms and Explosives Licensing Processes
 - SSP Driver Training
 - SSP Triaging of Intelligence - Process and Governance
 - SSP Physical Security Arrangements
 - SSP Capital Funding Processes
 - SSP Vetting
 - SSP Cyber Security Patch Management - Identification Controls
 - SSP Software Licensing
 - SSP AI & Robotics – Policy and Use of Data
 - Custody Compliance
 - Contact and Deployment – Call Grading

- 7.5 In 2025-26, Internal Audit report was given an opinion of limited assurance for which the Force has been working with SIAP to ensure recommendations are addressed as far as possible and as quickly as possible.
- SSP Estates and Facilities – Recovery Plans
 - SSP Duty of Care Risk Assessments
 - SSP Long Term Sickness / Absence Management
 - SSP Seizing of Evidence Process
 - SSP Training Management of Attendance
 - SSP Procurement
 - SSP IT Disaster Recovery and IT Service Continuity
 - SSP High Privilege Access Management
 - Child Protection – Governance and Case Allocation
 - Public Protection – Training and CPD
- 7.6 In 2025-26, Internal Audit report was given an opinion of no assurance for which the Force has been working with SIAP to ensure recommendations are addressed as far as possible and as quickly as possible.
- Oracle Infrastructure Management
- 7.7 Management have agreed recommendations to address all the findings reported by the internal audit service during 2025/26.

8 Conclusion and Certification

This Annual Governance Statement has been prepared on the basis of a review of the effectiveness of Surrey Police's governance arrangements for the year ended 31 March 2026. The review has been informed by management assurance processes, the work of internal and external audit, and scrutiny and challenge provided by the Joint Audit Committee.

The statement represents a fair and reasonable assessment of the effectiveness of the governance framework in place during 2025/26, together with the arrangements for identifying and addressing areas for improvement. Where opportunities to strengthen governance have been identified, appropriate improvement actions have been agreed and are subject to ongoing monitoring through established governance and assurance arrangements.

The Chief Constable and the Chief Finance Officer confirm that Surrey Police's governance arrangements were fit for purpose during 2025/26 and continue to provide a sound framework for the effective, efficient and lawful delivery of policing services, in accordance with the adopted governance framework.



Tim De Meyer, Chief Constable of Surrey

Date: 30 June 2026



Peter Appleton CPFA, Chief Finance Officer to the Chief Constable of Surrey

Date: 30 June 2026

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	<i>Note</i>	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance at 31 March 2025				1,309,841	1,309,841
<i>Note</i>				8	
Movement in reserves during 2025/26					
(Surplus)/deficit on the provision of services		31,247	31,247		31,247
Other Comprehensive Income / Expenditure		0	0	(40,415)	(40,415)
Total Comprehensive Income and Expenditure		31,247	31,247	(40,415)	(9,168)
Adjustments between accounting basis and funding basis under regulations	6	(31,247)	(31,247)	31,247	0
Net Increase or Decrease before Transfers to Earmarked Reserves		0	0	(9,168)	(9,168)
Transfers to / from Earmarked Reserves	7	0	0	0	0
Increase or Decrease in 2025/26		0	0	(9,168)	(9,168)
Balance at 31 March 2026		0	0	1,300,673	1,300,673
	<i>Note</i>	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance at 31 March 2024				1,462,629	1,462,629
<i>Note</i>				8	
Movement in reserves during 2024/25					
(Surplus)/deficit on the provision of services		37,428	37,428		37,428
Other Comprehensive Income / Expenditure		0	0	(190,216)	(190,216)
Total Comprehensive Income and Expenditure		37,428	37,428	(190,216)	(152,788)
Adjustments between accounting basis and funding basis under regulations	6	(37,428)	(37,428)	37,428	0
Net Increase or Decrease before Transfers to Earmarked Reserves		0	0	(152,788)	(152,788)
Transfers to / from Earmarked Reserves	7	0	0	0	0
Increase or Decrease in 2024/25		0	0	(152,788)	(152,788)
Balance at 31 March 2025		0	0	1,309,841	1,309,841

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2024/25				2025/26		
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
138,248	0	138,248	Police Payroll	146,600	0	146,600
7,083	0	7,083	Police Overtime	6,892	0	6,892
84,714	0	84,714	Staff Payroll	87,144	0	87,144
2,177	0	2,177	Staff Overtime	2,050	0	2,050
759	0	759	Agency	413	0	413
1,360	0	1,360	Training	1,223	0	1,223
5,476	0	5,476	Other Payroll Costs	4,814	0	4,814
12,133	0	12,133	Premises	12,851	0	12,851
34,086	0	34,086	Supplies & Services	38,059	0	38,059
6,087	0	6,087	Transport	5,401	0	5,401
12,976	0	12,976	* Capital Charges: Depreciation, Amortisation, Impairment (Proxy)	11,137	0	11,137
0	(34,940)	(34,940)	Income for Services provided by The Chief Constable	0	(35,737)	(35,737)
305,099	(34,940)	270,159	Cost of Services	316,584	(35,737)	280,847
0	(301,407)	(301,407)	Intra-Group Funding Transfer	0	(322,311)	(322,311)
305,099	(336,347)	(31,248)	Net Cost of Services	316,584	(358,048)	(41,464)
0	0	0	Other Operating Expenditure	0	0	0
90,376	(21,700)	68,676	20 Financing and Investment Income and Expenditure	100,543	(27,832)	72,711
0	0	0	Taxation and Non Specific Grant Income	0	0	0
395,475	(358,047)	37,428	(Surplus) or Deficit on Provision of Services	417,127	(385,880)	31,247
		(190,216)	17 Re-measurement of the net defined benefit liability			(40,415)
		(190,216)	Other Comprehensive Income and Expenditure			(40,415)
		(152,788)	Total Comprehensive Income and Expenditure			(9,168)

*Capital charges figure in 2025/26 includes a figure of £0.131m for downward PPE Revaluations.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets (assets less liabilities) are matched by the reserves. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services. These are referred to as unusable or non-cash backed reserves. This includes reserves for pensions and accumulated absences that recognise the impact of the accounting treatment shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025		Note	31 March 2026
£000			£000
110	Short-Term Debtors	9	110
110	Current Assets		110
(1,356)	Short-Term Creditors	10	(3,714)
(110)	Provisions	11	(110)
(1,466)	Current Liabilities		(3,824)
(1,308,485)	Other Long-Term Liabilities	17	(1,296,959)
(1,308,485)	Long Term Liabilities		(1,296,959)
(1,309,841)	Net Liabilities		(1,300,673)
1,309,841	Unusable Reserves	8	1,300,673
1,309,841	Total Reserves		1,300,673

I certify that the draft Statement of Accounts gives a true and fair view of the financial position of the Chief Constable of Surrey at the accounting date, and of the income and expenditure for the year ended 31 March 2026.



Peter Appleton
Chief Finance Officer to the Chief Constable

Date: 30 June 2026

Cash Flow Statement

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

All cash payments are made from the Police Fund which is held by the Police and Crime Commissioner for Surrey. Similarly, all income receipts and funding are received by the PCC during the year. This is why the statement doesn't show any cash transactions for the year.

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

2024/25		2025/26
£000		£000
37,428	Net (surplus) or deficit on the provision of services	31,247
(37,428)	Adjustment to surplus or deficit on the provision of services for noncash movements	(31,247)
0	Net cash flows from operating activities	0
0	Net cash flows from investing activities	0
0	Net cash flows from financing activities	0
0	Net (increase) or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	0

Note 1 - Critical Judgements in Applying Accounting Policies

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

In applying the accounting policies set out in Note 21, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The judgements made by the Chief Constable's finance statements are:

- **Future levels of funding for Local Government** – there is a degree of uncertainty about future levels of funding for PCCs. However, the Group has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Group might be impaired as a result of a need to close facilities and reduce levels of service provision.
- **Income & Expenditure** – A judgement has been made regarding the recognition of income and expenditure between the PCCs and Chief Constable's accounts to reflect financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the Group in accordance with the subjective activities for each corporate body included in the CIES. In arriving at this approach, interested parties, including senior management in both corporate bodies were consulted and careful consideration given to the Police Reform and Social Responsibility Act 2011 and Home Office guidance. All income/expenditure is received/paid by the PCC, and no actual cash transaction or events take place between the two entities.
- **Comprehensive Income and Expenditure Statement (CIES)** - Under CIPFA guidance the CIES is reported on the basis of organisation structure, reflecting the way in which the organisation operates or manages its services. For Surrey Police the CIES has been set out to show costs subjectively, reflecting the reporting basis for the monthly corporate report that is written for both the Chief Officer Group and the PCC.
- **Working capital** – Working capital has been judged as being attributable in full to the PCC. The PCC controls the treasury management function and all bank accounts, therefore no working capital balances (cash, current debtors and liabilities) are recognised in the Chief Constable's Balance Sheet.
- **Employee benefit accrual for accumulated absences** - the PCC has to determine whether the leave accrual should be accounted for in the PCC or Chief Constables accounts. As the majority of employee costs are accounted for in the Chief Constables accounts the leave accrual has been accordingly matched and accounted for on the Chief Constables Balance Sheet. The calculation is based on staff annual leave records and an average cost for each grade.

- **Pensions Actuarial Assumptions** – The value of the liabilities for IAS19 purposes is heavily dependent on assumptions made by the Group’s actuaries, Hymans Robertson and GAD. The financial assumptions reflect market expectations at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pension-in-payment) can have a significant effect on the value of the liabilities reported. A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude. The effect of a change in the net discount rate on the value placed on the liabilities of each scheme is shown in the sensitivity analysis schedule below. There is also uncertainty around the life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in-payment. The mortality assumptions have changed from the previous accounting period to take account of recent mortality experience. Life expectancy is based on the Fund’s VitaCurves with improvements in line with the CMI 2026 model, an allowance for smoothing of recent mortality experience and long-term rates of improvement of 1.5% p.a. for males and females.

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

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

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

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

IAS 19 pension actuarial reports include these impacts and provide for them within the 2025/26 accounts of the CC for both police and staff pension schemes.

- **Insurance Actuarial Assumptions**

The Group annually reviews the appropriateness of its insurance funding. Independent Actuaries Marsh Ltd (AJG) undertook a review on the adequacy of our insurance claim provision and reserves. The review utilises recognised actuarial techniques and generally accepted principles to forecast ultimate claims costs. All reviews are carried out by qualified actuaries in the core Marsh team dedicated to the contract. The underlying assumptions and methodologies used in the reports are then peer-reviewed by a colleague independent to the core team.

Note 2 – Going Concern

Going Concern Section 1 – Underlying Principle

These accounts have been prepared on a going concern basis as the Chief Constable of Surrey has assessed that Surrey Police will continue in operational existence for the foreseeable future. The assessment has considered the financial position of the Surrey PCC Group, including approved budgets, medium-term financial forecasts, cash flow projections and reserves. Based on this assessment, the Chief Constable is satisfied that the Group has adequate resources to continue operating and that cash flow requirements can be met for the assessment period through to at least 31 March 2028.

The provisions in the Code of Audit Practice and the CIPFA Code of Practice on Local Authority Accounting reflect the economic and statutory environment in which local authorities and policing bodies operate. These provisions confirm that policing bodies cannot be created or dissolved without statutory prescription and therefore must prepare their financial statements on a going concern basis. Policing bodies undertake essential statutory functions and receive funding from a combination of central government grant and local taxation. Should financial difficulties arise, it is expected that arrangements would be made by central government to support the continuation of policing services or to assist with the recovery of any financial deficit over more than one financial year.

Consequently, it would not be appropriate for the financial statements of the Chief Constable to be prepared on any basis other than going concern. The accounts therefore assume that Surrey Police will continue to operate for the foreseeable future.

Police funding remains under the remit of the Home Office. During 2025/26 the Government announced funding plans for policing as part of a wider spending review period and confirmed continued flexibility for Police and Crime Commissioners to raise additional funding through the police precept. For 2026/27, the Surrey Police and Crime Commissioner approved a £15 increase in the Band D police precept, which was endorsed by the Surrey Police and Crime Panel. The funding settlement and approved precept support the continued delivery of policing services across Surrey.

Going Concern Section 2 – Current and Historical Financial Position

The Surrey PCC Group approved a balanced revenue budget of £332m for 2025/26. Alongside the revenue budget, a capital programme was approved to support investment in estates, fleet replacement, operational equipment, information technology, regional collaborations and organisational change programmes. These investments are intended to maintain operational effectiveness and support future efficiency improvements.

The Medium Term Financial Strategy has been updated to reflect the latest funding assumptions, inflationary pressures, pay awards, operational demand and capital financing requirements. The latest forecast identifies a savings requirement of £5.5m in 2026/27 and a further £8.1m over the subsequent three years. The Force continues to progress its transformation programme and wider efficiency initiatives to deliver these savings whilst maintaining frontline policing services.

General reserves are maintained by the Police and Crime Commissioner in accordance with the approved reserves strategy. The minimum level of general reserves remains 3% of the net revenue budget, consistent with the assessment of the Chief Finance Officers and in line with CIPFA guidance. The adequacy of reserves is reviewed regularly through the budget monitoring and medium-term planning processes.

Whilst uncertainty remains regarding future government funding, inflation, pay awards and demand pressures, the Medium Term Financial Strategy demonstrates that Surrey Police remains financially resilient and has plans in place to manage identified risks.

Going Concern Section 3 – Cash Position

Under the Police Reform and Social Responsibility Act 2011, cash balances, investments, reserves and borrowing are held by the Police and Crime Commissioner rather than the Chief Constable. The Chief Constable therefore relies upon the funding and financial management arrangements operated through the Surrey PCC Group.

The PCC maintains sufficient cash balances, investments and borrowing facilities to meet the operational requirements of Surrey Police as they fall due. Cash flow forecasts have been prepared covering the assessment period and demonstrate that sufficient liquidity is available to support both operational and capital expenditure requirements.

Treasury management arrangements provide access to short-term and long-term borrowing where required and are managed in accordance with the approved Treasury Management Strategy. In addition, the PCC maintains usable reserves that provide resilience against unforeseen financial pressures.

Stress testing of cash flow forecasts has been undertaken to assess the impact of adverse scenarios, including reductions in funding, increased expenditure and delays in the delivery of planned savings. These assessments demonstrate that the Surrey PCC Group retains sufficient liquidity and financial resilience to continue operating and meeting its statutory obligations.

Accordingly, the Chief Constable has no reason to believe that Surrey Police will not continue to operate throughout the assessment period.

Going Concern Section 4 – Conclusion

Having considered the current financial position, medium-term financial forecasts, reserves, cash flow projections, funding arrangements and the statutory framework within which policing bodies operate, the Chief Constable is satisfied that Surrey Police remains a going concern.

Accordingly, the Statement of Accounts has been prepared on a going concern basis. The Surrey PCC Group has adequate reserves, access to liquidity and a robust medium-term financial planning process in place to manage future financial challenges whilst continuing to deliver policing services across Surrey.

Note 3 - Events After the Balance Sheet Date

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

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no material non-adjusted events to report.

Note 4 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Chief Constable's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Governments Actuary's Department have been engaged to provide the Group with expert advice about the assumptions to be applied for the Police Pension Schemes and Hymans Robertson LLP provides the same advice for the Police Staff Pension Scheme.</p> <p>Pension assumptions now include the impact of 'McCloud/Sargeant' transitional protections for both officer and staff pension schemes to better reflect the Fund's local assumptions, particularly those for salary increases and withdrawal rates. The Fund's actuary also carried out calculations in order to estimate the impact that the Guaranteed Minimum Pension (GMP) equalisation will have on the pension fund liabilities.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate assumption would result in a decrease in the staff scheme pension liability of £31.9m and a decrease in the police officer pension scheme pension liability of £94m. However, the assumptions interact in complex ways. During 2025/26, the CC's actuaries advised that the net pension liability for police officers had decreased by £31.3m as a result of revised actuarial assumptions.</p> <p>The staff pension scheme for the CC shows a deficit of £22.5m.</p>
Pensions Costs	<p>There are three pension schemes for police officers, the 2006 Police Officer Pension Scheme (NPPS), the Police Pension Scheme (PPS) and the Police Pension Scheme 2015 (2015 scheme); all of which are unfunded, defined benefit schemes. An unfunded scheme treated as a defined benefit scheme has no investment assets to meet its pension liability the Group must generate cash to meet the actual pension payments as they fall due.</p>	<p>The benefits payable are funded by contributions from employers and police officers and any shortfall is met by a top up grant from the Home Office of £9.3m (£8.2m for 2024/25) and other Pension Grant to the PCC. Further details of the schemes can be found in the Police Officer Pension Fund Accounts.</p>

Note 5 - Expenditure and Funding Analysis

The Expenditure and Funding Analysis note shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies in comparison with resources consumed or earned in accordance with generally accepted accounting practices.

2024/25				2025/26		
Net Expenditure Chargeable to General Fund	Adjustments Note 6	Net Expenditure in the CIES		Net Expenditure Chargeable to General Fund	Adjustments Note 6	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
99,481	38,767	138,248	Police Payroll	110,860	35,740	146,600
7,083		7,083	Police Overtime	6,892		6,892
86,052	(1,338)	84,714	Staff Payroll	91,637	(4,493)	87,144
2,177		2,177	Staff Overtime	2,050		2,050
759		759	Agency	413		413
1,360		1,360	Training	1,223		1,223
5,476		5,476	Other Payroll Costs	4,814		4,814
12,133		12,133	Premises	12,851		12,851
34,086		34,086	Supplies and Services	38,059		38,059
6,087		6,087	Transport	5,401		5,401
12,976		12,976	Capital Charges: Depreciation, Amortisation, Impairment (Proxy)	11,137		11,137
(34,940)		(34,940)	Income	(35,737)		(35,737)
0	(1)	(1)	Rounding	0		0
232,730	37,428	270,158	Net Cost of Services	249,600	31,247	280,847
(232,730)	0	(232,730)	Other Income and Expenditure	(249,600)	0	(249,600)
0	37,428	37,428	Deficit on Provision of Services	0	31,247	31,247

*Capital charges in 2025/26 includes a figure of £0.131m for downward PPE revaluations.

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

The table below details the adjustments made to the Total Comprehensive Income and Expenditure Statement recognised by the Chief Constable in the year, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Chief Constable to meet future capital and revenue expenditure.

2025/26	General Fund Balance	Movement in Unusable Reserves
	£000	£000
Adjustments to the Revenue Resources		
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:		
Pension cost (transferred to (or from) the Pensions Reserve)	(28,889)	28,889
Holiday pay (transferred to the Accumulated Absences reserve)	(2,358)	2,358
Total Adjustments	(31,247)	31,247
2024/25	General Fund Balance	Movement in Unusable Reserves
	£000	£000
Adjustments to the Revenue Resources		
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:		
Pension cost (transferred to (or from) the Pensions Reserve)	(37,661)	37,661
Holiday pay (transferred to the Accumulated Absences reserve)	233	(233)
Total Adjustments	(37,428)	37,428

Note 7 - Grant Income

Taxation and Non-Specific Grant Income

The Chief Constable credited the following grants to the Comprehensive Income and Expenditure Statement in 2025/26:

2024/25		2025/26
£000		£000
(0)	Non-ringfenced government grants	(0)
(0)	Total	(0)

Grants & Contributions Credited to Services

31 March 2025		31 March 2026
£000		£000
(801)	Counter Terrorism	(870)
(6,166)	HO Police Uplift Programme	(4,821)
(296)	Safer Streets	(0)
(69)	County Lines	(85)
(393)	Victim Services	(490)
(274)	Cyber Crime	(126)
(170)	Other Grants and Contributions	(150)
(8,169)	Total Specific Grants	(6,542)

Note 8 - Unusable Reserves

31 March 2025		31 March 2026	
£000		£000	
1,308,485	Pension Reserve	1,296,959	
1,356	Accumulated Absences Account	3,714	
1,309,841	Total	1,300,673	

Pension Reserve

31 March 2025		31 March 2026	
£000		£000	
1,461,040	Balance 1 April	1,308,485	
(190,216)	Re-measurements of the net defined benefit (liability)/asset	(40,415)	
95,487	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	91,946	
(57,826)	Employer's pensions contributions and direct payments to pensioners payable in the year	(63,057)	
1,308,485	Balance 31 March	1,296,959	

The Pensions Reserve reflects the timing adjustments arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions [Statutory Instrument No. 2010/454]. Post-employment benefits are accounted for in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised in line with inflation assumptions, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the employer makes contribution to pension funds, or eventual payment of any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangement will ensure that funding will have been set aside by the time the benefits come to be paid.

Accumulated Absences Account

31 March 2025			31 March 2026	
£000			£000	
1,589	Balance 1 April		1,356	
(1,589)	Settlement or cancellation of accrual made at the end of the preceding year		(1,356)	
1,356	Amounts accrued at the end of the current year		3,714	
(233)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements		2,358	
1,356	Balance 31 March		3,714	

The Accumulated Absences Account reflects the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March 2026. Statutory arrangements require that the impact on the General Fund Balance is offset by transfers to mitigate the impact on Council Tax.

Note 9 - Debtors

Debts outstanding at 31 March 2026 are as follows:

31 March 2025			31 March 2026	
£000			£000	
110	Other Receivable Amounts		110	
110	Total		110	

This debtor relates to the restructuring provision, representing PCC funding to match provision.

Note 10 - Creditors

Payments due at 31 March 2026 are as follows:

31 March 2025		31 March 2026
£000		£000
(1,356)	Other payables	(3,714)
(1,356)	Total Creditors	(3,714)

This creditor relates to the Accumulated Absences Reserve.

Note 11 - Provisions

Provisions held at 31 March 2026 are as follows:

Current Provisions		
31 March 2025	Restructuring Provision	31 March 2026
£000		£000
(110)	Opening Balance	(110)
0	Increase in provision during year	0
0	Utilised during year	0
(110)	Closing Balance	(110)

Restructuring Provision

The restructuring provision has been created for restructuring costs in accordance with strategic change programmes that have formal plans or supporting business cases for the period to 31 March 2026. These change programmes are either in the process of being implemented or are planned to be implemented during 2026/27.

Note 12 - Joint Audit Committee

Under the governance arrangements for policing, the Chief Constable and the PCC have a Joint Audit Committee to provide independent and effective assurance about the adequacy of financial management and reporting. The committee help to raise the profile of internal control, risk management and financial reporting issues within Surrey Police and provide a forum for discussion with internal and external auditors.

Members' Allowances for the Joint Audit Committee are:

Members' Allowances	£2,226.46 per annum
Chair Allowance	£3,079.44 per annum

Note 13 - Collaborations

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

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

In 2025/26 the services provided jointly, included the Operations and Specialist Crime departments along with a number of support functions and projects. Each Force accounts for their share of total income and expenditure and assets in the Comprehensive Income and Expenditure Statement and Balance Sheet respectively.

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

The following table illustrates the Surrey share of the collaborated service costs.

Surrey Share 2024/25	Collaboration Area	Surrey Share 2025/26
£m		£m
9.3	Commercial and Finance Services*	9.0
2.9	Corporate Services	2.9
0	Criminal Justice & Custody	0.0
13.7	Digital, Data and Technology	15.5
0.3	Enterprise Resource Planning	0.0
20.3	Operations & Protective Security	21.3
4.9	People Services	6.6
25.3	Specialist Crime	26.3
76.7	Total	81.6

*Commercial and Finance Services includes Estates & Facilities (£2.2m), Joint Transport (£5.1m) and Finance (£1.7m)

Note 14 - Officers' Remuneration

The Accounts and Audit Regulations 2015 require the disclosure of remuneration details for police officers and police staff whose gross remuneration exceeded £50,000. In addition, remuneration details for senior employees, those earning a salary of over £150,000 and those in command of the Chief Constable of Surrey organisation are also required to be disclosed as 'Remuneration Paid to Senior Employees'.

Remuneration is defined, by the regulations, as all sums subject to income tax, including expenses, but excluding employer pension contributions. This includes payments of accrued overtime, as well as annual increments, allowances, bonuses and pay awards. There are a small number of employees included that are seconded to other agencies. These costs are fully recovered.

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

No. Employees 31 March 2025	CC Gross Remuneration £	No. Employees 31 March 2026
480	50,000 to 54,999	364
410	55,000 to 59,999	464
234	60,000 to 64,999	304
151	65,000 to 69,999	151
79	70,000 to 74,999	110
26	75,000 to 79,999	57
17	80,000 to 84,999	13
22	85,000 to 89,999	21
8	90,000 to 94,999	12
12	95,000 to 99,999	11
9	100,000 to 104,999	12
6	105,000 to 109,999	5
1	110,000 to 114,999	4
2	115,000 to 119,999	3
0	120,000 to 124,999	2
3	125,000 to 129,999	0
0	130,000 to 134,999	2
1	135,000 to 139,999	0
0	140,000 to 144,499	2
1	145,000 to 149,999	0
0	150,000 to 154,999	1
1,462	Total	1,538

Remuneration for Senior Officers with the responsibility for the management of Surrey Police were:

			2025/2026				
Position	Position Start Date	Position End Date	Salary, Fees & Allowances	Employers Pension Contribution	Benefit in kind	Annual Leave not yet taken	Total Remuneration
			£	£	£	£	£
Police Officers							
Chief Constable (T De Meyer)	01/04/2023		199,527	65,329		1,459	266,315
Deputy Chief Constable	23/09/2019	31/10/2025	78,831	43,129			121,960
Deputy Chief Constable	15/10/2025		134,402	46,887		3,063	184,353
Assistant Chief Constable *	10/01/2024		135,402	46,887		1,289	183,578
Assistant Chief Constable	10/01/2024		145,326	46,887		1,302	193,516
Assistant Chief Constable (T Jones)	10/01/2024		154,897	49,620			204,517
Chief Superintendent	01/04/2021		119,507	40,186			159,692
Chief Superintendent	16/12/2019		122,821	40,186			163,007
Chief Superintendent	01/05/2022		114,947	40,186		1,302	156,434
Chief Superintendent	01/07/2023		120,274	30,336		1,302	151,912
Chief Superintendent	04/01/2024		115,648	37,946			153,594
Chief Superintendent	14/10/2019	31/05/2025	21,456	6,537			27,993
Temporary Detective Chief Superintendent	01/09/2024		110,843	36,731		1,206	148,780
Temporary Detective Chief Superintendent	01/09/2024		106,002	36,428		3,166	145,596
Temporary Detective Chief Superintendent	01/09/2024		109,529	36,731		188	146,448
Temporary Detective Chief Superintendent	26/03/2007		109,591	36,198		6,030	151,819
Temporary Chief Superintendent	17/08/1998		110,768	36,731		1,884	149,382
Temporary Chief Superintendent	25/04/2005		100,598	36,002		1,167	137,767
Police Staff							
Head of Corporate Communications	16/07/2018		102,855	15,618		4,122	122,595
Chief Operating Officer (A Croxford)-See Note 1*	01/07/2021		184,663	28,688		5,583	218,934
TOTAL CHIEF CONSTABLE			2,397,886	757,243	0	33,064	3,188,192

Note 1 - The incumbent of this role was the Chief Information Officer but that person's role has been expanded and renamed accordingly.

*This individual is employed in a collaborative role therefore Surrey only funds 45% of this cost.

Remuneration for Senior Officers with the responsibility for the management of Surrey Police were:							
			2024/2025				
Position	Position Start Date	Position End Date	Salary, Fees & Allowances	Employers Pension Contribution	Benefit in kind	Annual Leave not yet taken	Total Remuneration
			£	£	£	£	£
Police Officers							
Chief Constable (T De Meyer)	01/04/2023		187,505	61,347			248,852
Deputy Chief Constable (N Kemp)	23/09/2019		155,984	50,687			206,671
Assistant Chief Constable *	10/01/2024		128,995	42,337		89	171,421
Assistant Chief Constable	10/01/2024		129,857	42,337			172,194
Assistant Chief Constable	10/01/2024		148,025	47,016			195,041
Chief Superintendent	01/04/2021		109,887	38,066			147,953
Chief Superintendent	14/10/2019		114,391	38,066			152,457
Chief Superintendent	16/12/2019		113,464	38,066			151,530
Chief Superintendent	01/05/2022		112,890	37,919		3,077	153,886
Chief Superintendent	01/07/2023		102,084	35,313			137,397
Chief Superintendent	04/01/2024		102,597	34,780		570	137,947
Chief Superintendent	01/09/2024		61,483	20,513		3,861	85,857
Chief Superintendent	01/09/2024		58,403	20,108		2,388	80,899
Chief Superintendent	01/09/2024		61,590	20,512		1,414	83,516
Police Staff							
Head of Corporate Communications	16/07/2018		93,269	14,208			107,478
Chief Operating Officer (A Croxford) -See Note 1*	01/07/2021		179,490	27,741			207,231
TOTAL CHIEF CONSTABLE			1,859,914	569,016	0	11,399	2,440,330

Note 1-The incumbent of this role was the Chief Information Officer but that person's role has been expanded and renamed accordingly.

*This individual is employed in a collaborative role therefore Surrey only funds 45% of this cost.

Exit Packages

The 2025/26 Code requires disclosure of the number and cost of exit packages agreed, including:

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

Total number of exit packages by cost band	Total cost of exit packages in each band (£)	Exit cost band (including special payments)	Total number of exit packages by cost band	Total cost of exit packages in each band (£)
2024/25	2024/25		2025/26	2025/26
0	0	£0-£20,000	1	15,524
0	0	£20,001-£40,000	1	29,221
3	148,440	£40,001-£60,000	0	0
1	71,199	£60,001-£80,000	0	0
1	161,118	£150,001-£200,000	0	0
5	380,757	TOTAL	2	44,745

The numbers and total amounts of exit packages paid to employees were as shown in the table above. All payments were voluntary redundancies.

Note 15 - External Audit Costs

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

2024/25		2025/26
£000		£000
50.6	Fees payable to Ernst & Young with regard to external audit services carried out by the appointed auditor for the year	52.0
9.8	Adjustment to Standard EY fees 21/22	0.0
(19.3)	Adjustment to Standard EY fees 22/23	6.0
0.0	Adjustment to Standard EY fees 23/24	24.9
41.1	Total	82.9

Note 16 - Related Parties

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

The Chief Executive of the Police and Crime Commissioner for Surrey has written to all Chief Officers of the Chief Constable to collect this information on behalf of the Group. Responses were received from all recipients of the letter and the following related party transactions are disclosed for the 2025/26 year in respect of the Chief Constable.

Legal services were provided to the Surrey Police Group of £ 3,319,238.30 (2024/25: £2,506,297.52) by Weightmans LLP Solicitor in the normal course of business during the year, Ms Hannah Walsh (Solicitor to the Surrey Police Group from 1 April 2017) is employed by Weightmans LLP.

Central Government has effective control over the general operations of Chief Constable as it is responsible for providing the statutory framework within which the Chief Constable operates and provides the majority of funding to the Group. Grants received from Central Government by the Group are set out in the Police and the Crime Commissioner for Surrey Group accounts 2025/26.

Note 17 - Defined Benefit Pension Scheme

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

The Chief Constable participates in separate pension schemes for police staff and police officers:

- **The Local Government Pension Scheme (LGPS) for police staff employees**, administered locally by Surrey County Council – this is a funded defined benefit scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. Up to 31 March 2014 the scheme was based on final salary but from 1 April 2014 the scheme has been based on career average.
- **The Police Pension Schemes for police officers** – these are unfunded defined benefit final salary scheme, the funding arrangements of which are contained in the Police Pension Fund Regulations 2007 (SI 2007/1932). The Group and employees pay contributions into the fund during the year, but there is no investment assets built up to meet the pension liabilities and payments as they fall due. The regulations require that if the pension fund does not have enough funds to meet the cost of pensions in any year, the amount required to meet the deficit must be transferred from the Group to the pension fund. Subject to Parliamentary scrutiny and approval, up to 100% of this amount is then recouped by the Group in the form of a top-up grant paid by Central Government. Conversely, if the police pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group, which in turn is required to pay the amount to central Government.

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. In accordance with IAS 19 requirements, the amount includes current and past service costs, curtailments and settlements, together with the gains/losses on the police injury pension. The current service cost and valuation of the Schemes as at 31 March 2026 have been produced by actuaries. The following transactions reflect the total charges in the Chief Constable's Comprehensive Income and Expenditure Statement. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments for those benefits and to disclose them at the time the employee earns them.

Virgin Media Judgement

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

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

General Fund Transactions

2024/25			2025/26			
Comprehensive Income and Expenditure Statement						
Cost of Services						
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
11,184	15,620	26,804	Service cost comprising:			
7	0	7	Current service cost	7,968	11,080	19,048
(21,700)	0	(21,700)	Past service cost	187	0	187
21,846	68,530	90,376	Financing and Investment Income and Expenditure	(27,832)	0	(27,832)
			Net interest expense	27,833	72,710	100,543
11,337	84,150	95,487	Total charged to Surplus and Deficit on Provision of Services	8,156	83,790	91,946

2024/25			Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement	2025/26		
£000	£000	£000		£000	£000	£000
			Re-measurement of the net defined benefit liability comprising:			
(2,833)	0	(2,833)	Return on plan assets (excluding the amount included in the net interest expense)	(34,876)	0	(34,876)
(3,654)	(4,110)	(7,764)	Actuarial gains and losses - experience	31,167	(22,160)	9,007
(657)	(2,140)	(2,797)	Actuarial gains and losses - arising on changes in demographic assumptions	(7,133)	0	(7,133)
(74,191)	(184,230)	(258,421)	Actuarial gains and losses - arising on changes in financial assumptions	(16,736)	(43,210)	(59,946)
81,599	0	81,599	Asset Ceiling Adjustment	52,533	0	52,533
264	(190,480)	(190,216)	Total Charged to Other CIES	24,955	(65,370)	(40,415)
11,601	(106,330)	(94,729)	Total charged to the Comprehensive Income and Expenditure Statement	33,111	18,420	51,531

2024/25			Movement in Reserves Statements	2025/26		
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
(11,337)	(84,150)	(95,487)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(8,156)	(83,790)	(91,946)
12,546	45,280	57,826	Employers' contributions payable to scheme	13,317	49,740	63,057
1,209	(38,870)	(37,661)	Total Pensions Adjustments between Accounting and Funding Basis in year	5,161	(34,050)	(28,889)

2024/25			Pensions Assets and Liabilities Recognised in the Balance Sheet	2025/26		
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
(327,754)	(1,305,810)	(1,633,564)	Present value of the defined obligation	(354,232)	(1,274,490)	(1,628,722)
475,793	0	475,793	Fair value of plan assets	543,745	0	543,745
(150,714)	0	(150,714)	Changes in asset ceiling	(211,982)	0	(211,982)
(2,675)	(1,305,810)	(1,308,485)	Net (liability) / asset arising from the defined benefit obligation	(22,469)	(1,274,490)	(1,296,959)

2024/25			Movements in the Value of Scheme Assets	2025/26		
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
444,314	0	444,314	Opening fair value of scheme assets	475,793	0	475,793
21,700	0	21,700	Interest income	27,832	0	27,832
			Re-measurement gain / (loss):			
2,833	0	2,833	- The return on plan assets, excluding the amount included in the net interest expense	31,883	0	31,883
12,546	45,280	57,826	Contributions from employer	13,292	49,740	63,032
4,385	12,770	17,155	Contributions from employees into the scheme	4,606	13,630	18,236
0	60	60	Transfers in	0	10	10
(9,985)	(58,110)	(68,095)	Benefits Paid	(9,661)	(63,380)	(73,041)
475,793	0	475,793	Closing Balance of Scheme Assets	543,745	0	543,745

2024/25			Movements in the Value of Scheme Liabilities	2025/26		
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
(382,016)	(1,457,420)	(1,839,436)	Opening balance at 1 April	(327,754)	(1,305,810)	(1,633,564)
(11,184)	(15,620)	(26,804)	Current service cost	(7,968)	(11,080)	(19,048)
(18,649)	(68,530)	(87,179)	Interest cost	(19,098)	(72,710)	(91,808)
(4,385)	(12,770)	(17,155)	Contributions from scheme participants	(4,606)	(13,630)	(18,236)
			Re-measurement gains and losses:			
3,654	4,110	7,764	- Actuarial gains / (losses) experience:	(28,174)	22,160	(6,014)
657	2,140	2,797	- Actuarial gains / (losses) from changes in demographic assumptions	7,133	0	7,133
74,191	184,230	258,421	- Actuarial gains / (losses) from changes in financial assumptions	16,736	43,210	59,946
(7)	0	(7)	Past service cost	(187)	0	(187)
0	(60)	(60)	Transfers in	0	(10)	(10)
9,985	58,110	68,095	Benefits / transfers paid	9,686	63,380	73,066
(327,754)	(1,305,810)	(1,633,564)	Closing Balance of Scheme Liabilities - 31 March	(354,232)	(1,274,490)	(1,628,722)

* Investment returns have increased, and this resulted in an increase of £68m compared to a prior year increase of £31.5m on the 'Return on assets excluding amounts included in net interest expense' line within the Balance Sheet movements in the Value of Scheme Assets table.

Below are the tables which show the 2024/25 figures as originally stated along with the restated position. The main change in the first set of tables relates to the disclosure of the asset ceiling adjustment and the present value of the defined obligation. The second set of tables correctly restates the opening and closing balances of the scheme liabilities.

2024/25 As Originally Stated			Pensions Assets and Liabilities Recognised in the Balance Sheet	2024/25 As Restated		
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
(478,468)	(1,305,810)	(1,784,278)	Present value of the defined obligation	(327,754)	(1,305,810)	(1,633,564)
475,793	0	475,793	Fair value of plan assets	475,793	0	475,793
0	0	0	Changes in asset ceiling	(150,714)	0	(150,714)
(2,675)	(1,305,810)	(1,308,485)	Net (liability) / asset arising from the defined benefit obligation	(2,675)	(1,305,810)	(1,308,485)

2024/25 As Originally Stated			Movements in the Value of Scheme Liabilities	2024/25 As Restated		
CC LGPS	Police Officers	Total		CC LGPS	Police Officers	Total
£000	£000	£000		£000	£000	£000
(447,934)	(1,457,420)	(1,905,354)	Opening balance at 1 April	(382,016)	(1,457,420)	(1,839,436)
(11,184)	(15,620)	(26,804)	Current service cost	(11,184)	(15,620)	(26,804)
(21,846)	(68,530)	(90,376)	Interest cost	(18,649)	(68,530)	(87,179)
(4,385)	(12,770)	(17,155)	Contributions from scheme participants	(4,385)	(12,770)	(17,155)
			Re-measurement gains and losses:			
3,654	4,110	7,764	- Actuarial gains / (losses) experience:	3,654	4,110	7,764
657	2,140	2,797	- Actuarial gains / (losses) from changes in demographic assumptions	657	2,140	2,797
74,191	184,230	258,421	- Actuarial gains / (losses) from changes in financial assumptions	74,191	184,230	258,421
(7)	0	(7)	Past service cost	(7)	0	(7)
0	(60)	(60)	Transfers in	0	(60)	(60)
9,985	58,110	68,095	Benefits / transfers paid	9,985	58,110	68,095
(81,599)	0	(81,599)	Asset Ceiling Adjustments	0	0	0
(478,468)	(1,305,810)	(1,784,278)	Closing Balance of Scheme Liabilities - 31 March	(327,754)	(1,305,810)	(1,633,564)

**LGPS - Pension Scheme - Assets comprised of:
Fair value of scheme assets**

2024/25 CC £000		2025/26 CC £000
	EQUITY SECURITIES	
4,609	Consumer	5,268
8,443	Manufacturing	9,649
0	Energy and Utilities	0
6,237	Financial Institutions	7,128
5,807	Health and Care	6,636
10,131	Information Technology	11,578
399	Other	456
35,626	Subtotal EQUITY SECURITIES	40,716
	DEBT SECURITIES	
0	UK Government	0
0	Subtotal DEBT SECURITIES	0
	PRIVATE EQUITY	
0	All	0
0	Subtotal PRIVATE EQUITY	0
	REAL ESTATE	
26,462	UK property	30,241
69,567	Overseas Property	79,503
96,029	Subtotal REAL ESTATE	109,744
	INVESTMENT FUNDS & UNIT TRUSTS	
262,449	Equities	299,931
69,893	Bonds	79,875
332,342	Subtotal INVESTMENT FUNDS & UNIT TRUSTS	379,807
	DERIVATIVES	
1,776	Foreign Exchange	2,029
1,776	Subtotal DERIVATIVES	2,029
	CASH and CASH EQUIVALENTS	
10,020	All	11,451
10,020	Subtotal PRIVATE EQUITY	11,451
	Rounding	
475,793	Total Assets	543,745

2024/25	LGPS	2025/26
	Long term expected rate of return on assets	
5.5%	EQUITY SECURITIES	13.1%
5.5%	DEBT SECURITIES	13.1%
5.5%	PRIVATE EQUITY	13.1%
5.5%	REAL ESTATE	13.1%
5.5%	INVESTMENT FUNDS & UNIT TRUSTS	13.1%
5.5%	DERIVATIVES	13.1%
	Mortality assumptions - current pensioners	
21.2	Men	21.7
24.3	Women	24.7
	Mortality assumptions - future pensioners	
22.2	Men	22.9
25.8	Women	26.3
	Financial assumptions	
2.8%	Rate of inflation	3.0%
3.8%	Rate of increase in salaries	4.0%
2.8%	Rate of increase in pensions	3.0%
5.8%	Rate for discounting scheme liabilities	6.3%

2024/25	Police Officer Schemes		2025/26
		Mortality assumptions - current pensioners	
21.9	Men		22.0
23.9	Women		24
		Mortality assumptions - future pensioners	
23.3	Men		23.4
25.2	Women		25.3
		Financial assumptions	
2.7%	Rate of inflation		3.0%
3.5%	Rate of increase in salaries		3.7%
2.7%	Rate of increase in pensions		3.0%
5.7%	Rate for discounting scheme liabilities		6.1%

2024/25 Increase by 0.5%	LGPS	2025/26 Increase by 0.5%
CC £000		CC £000
1,020	Rate of increase in salaries	1,110
34,990	Rate of increase in pensions	31,895
(35,025)	Rate for discounting scheme liabilities	(33,000)

2024/25 Increase by 0.5%	Police Officers	2025/26 Increase by 0.5%
£000	Assumption	£000
14,000	Rate of increase in salaries	13,000
100,000	Rate of increase in pensions	91,000
(102,000)	Rate for discounting scheme liabilities	(94,000)

Decrease by 1 year	Police Officers	Decrease by 1 year
£000	Assumption	£000
28,000	Longevity	31,000

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The cost of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The liabilities show the underlying commitments that the Chief Constable has in the long run to pay retirement benefits. The total liability of £1.841m has a substantial impact on the net worth of the Chief Constable as recorded in the Balance Sheet, resulting in a negative overall net balance of £1.297m.

However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme actuary.

Finance is only required to be raised to cover police pensions when the pensions are actually paid and is restricted to the level of employers' contribution payable by the Chief Constable and funded by the PCC.

Note 18 - Contingent Liabilities

In accordance with the 2025/26 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, contingent liabilities are disclosed where there is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of Surrey Police, or where a present obligation exists but it is not probable that a transfer of economic benefits or service potential will be required, or the amount of the obligation cannot be measured reliably. The Chief Constable has considered the following matters and, whilst no provision has been recognised in the Statement of Accounts, the disclosures below are made due to the existence of uncertainties regarding potential future liabilities.

McCloud Pension Case

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

& Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

Motorway Speed Enforcement (Op Cabin)

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

Note 19 - Contingent Assets

The Chief Constable of Surrey has no contingent assets to disclose at 31 March 2026.

Note 20 - Financing and Investment Income and Expenditure

2024/25		2025/26
£000		£000
68,676	Net interest on the net defined benefit liability (asset)	72,711
68,676	Total	72,711

Note 21 - Accounting Policies

General Principles

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

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

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

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

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

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

The following sections set out the Chief Constable's general accounting policies, which have been followed in 2025/26.

Income and Expenditure Recognition

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

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

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

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

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

Where revenue or expenditure have been recognised by cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Creditors are included within the Balance Sheet for goods and services received, and risks and rewards of ownership transferred, but not paid for at the year end. Debtors are included within the Balance Sheet where services have been provided but not yet reimbursed at the year end.

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

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

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

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

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

Events after the Balance Sheet

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

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

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

Government Grants and Contributions

Government grants and third-party contributions are recognised as income at the date the Chief Constable satisfies the conditions of entitlement to the grant or contribution and where there is reasonable assurance that the monies will be received.

Net expenditure is expressed before deducting government grants in support of the overall expenditure of the Group, i.e. specific police grants, Revenue Support Grant and National Non Domestic Rates. Other smaller revenue grants are shown as income in arriving at net expenditure and can be matched against specific items of expenditure.

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Grants and contributions in excess of £20,000 are considered material.

Joint Operations

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

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

Debts Outstanding

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

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

Reserves

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

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

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

Overheads and Support Services

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

Provisions and Contingent Liabilities

Provisions

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

Contingent Liabilities

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

VAT

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

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

Employee Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is charged to the Comprehensive Income and Expenditure Statement but then reversed out through

the Movement in Reserves Statement, resulting in holiday benefits being charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits / Exit Packages

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove 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. The movement in Reserves appropriations are reflected in the Group Accounts.

Long-term employee benefits - Pension arrangements

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

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

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

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

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

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

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

Police Staff are eligible to join the LGPS administered by Surrey County Council. This is a funded scheme. The employer's contribution rate is determined by the Fund's actuary based on valuations every three years.

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

- The assets of the LGPS attributable to Surrey Police are included in the Balance Sheet at their fair value:
 - quoted securities - current bid price
 - unquoted securities - professional estimate
 - unitised securities - current bid price
 - property - market value

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

- **current service cost** - the increase in liabilities as a result of years of service earned this year allocated in the CIES to the services for which the employees worked
- **past service cost** - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs
- **interest cost** - the expected increase in the present value of liabilities during the year as they move one year closer to being paid - debited to the Financing and Investment Income and Expenditure line in the CIES
- **expected return on assets** - the annual investment return on the fund assets attributable to the Group, based on an average of the expected long-term return - credited to the Financing and Investment Income and Expenditure line in the CIES

- **gains or losses on settlements and curtailments** - the result of actions to relieve the Group of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs
- **actuarial gains and losses** - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve
- **contributions paid to the pension fund** - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

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

Discretionary Benefits

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

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

Note 22 - Accounting Standards issued but not yet adopted

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

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2026/27 Code). This means that only the standards listed in paragraph 9 below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

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

It is likely there will be limited application of items a) to d), although authorities will need to consider their individual circumstances in case any of these standards apply. Further details on these changes to the Code can be found in the 2026/27 Code Consultation.

Police Pensions Fund Account Statements as at 31 March 2026

These statements show the contributions and benefits payable for the year

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

Surrey Police Pension Fund Account Statement

As at March 2025			As at March 2026	
£000	£000		£000	£000
		Contributions Receivable		
		From Employer:		
(33,687)		- Normal	(35,859)	
(298)		- Early Retirements	(1,337)	
(12,836)		From Members	(13,650)	
(362)		McCloud Receipts	(29)	
	(47,183)			(50,875)
		Transfers In		
	(64)	Individual Transfers in From Other Schemes		(11)
	(47,747)	Total Inflows		(50,886)
		Benefits Payable		
49,793		Pensions	51,516	
4,848		Commutations and Lump Sums	6,908	
246		Lump Sum Death Benefits	175	
240		Lump Sum Ill-health Benefits	1,400	
	55,127			59,999
		Payments To and On Account of Leavers		
241		Refund of Contributions	134	
53		Individual Transfers Out To Other Schemes	98	
	294			232
	55,421	Total Outflows		60,231
	8,174	Net amount payable for the year from the Group (equal to deficit amount)		9,345
	(8,174)	Additional contribution from the Group to fund the deficit for the year *		(9,345)
	0	Net Amount Payable for the Year		0

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

Police Pension Fund Net Assets Statement

2024/25	Net Current Assets And Liabilities	2025/26
£000		£000
	Current Assets:	
0	Contributions due from the PCC	0
0	Recoverable overpayments of pensions	0
	Current Liabilities:	
0	Unpaid pensions benefits	0
0	Surplus for the year owing to the PCC	0
0	Net Assets / (Liabilities)	0

Police Pension Funds - Notes

Accounting Policies

The Police Pension Account Statements have been prepared to meet the requirements of Regulation 7(1) (d) of the Accounts and Audit Regulations 2003, which states that Chief Constables are obliged to include the police pensions account in their statement of accounts. They also meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 based on International Financial Reporting Standards IAS19, as last amended on 16 June 2011. The Accounts have been prepared on an accruals basis. The statements do not take account of liabilities to pay pensions and other benefits in the future. This is reported upon separately in the Actuary's statement.

Explanatory Notes to the Police Pension Fund Account Statements

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

On 1 April 2006 new arrangements came into being for funding and accounting for the Police Pension Schemes. Before 1 April 2006 these pensions were paid from the Revenue Account and the Authority (preceding the Police Reform and Social Responsibility Act 2011 creating the two corporation sole bodies; the Police and Crime Commissioner for Surrey and the Chief Constable of Surrey) received funding from

central government as part of the general funding formula to support payments of pensions. Prior to 1 April 2006, there were no employer contributions based on pensionable pay and no top-up grants.

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

There are currently three Police Officer pension schemes. Officers in the 'old scheme' currently contribute between 14.25% and 15.05% depending upon level of basic annual salary (prior to 1 April 2012 officers in the 'old scheme' contributed 11% of pensionable pay). Officers in the 'new scheme' currently contribute between 11.0% and 12.75% depending upon level of basic annual salary (prior to 1 April 2012 officers in the 'new scheme' contributed 9.5% of earnings or 6% if ineligible for ill-health benefits). From 1 April 2015 the Police Pensions Scheme 2015 came into effect and all current active members were transferred to this scheme – with the exception of those qualifying for protections allowing them to remain in their current scheme. Officers contribute between 12.44% and 13.78% depending on their basic salary. The Chief Constable makes an employer's contribution of 35.3% of pensionable pay. Employee's and Employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department. The Police Pension scheme has no assets to cover its liabilities, therefore the total payments to pensioners in any year must be paid for by current officer and employer contributions.

Under the current financing arrangements, the Pension Account is balanced to nil at the end of the year. In the event that the Pension Account is in deficit, the Home Office partially reimburses the Police and Crime Commissioner and the remaining amount required to balance it to nil is met from the Police Operating Account.

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

Liabilities to pay future pension benefits have been disclosed separately at Note 17 in accordance with IAS 19 'Employee Benefits'.

The New Police Pension Scheme (NPPS) applies to police entrants who joined the service on or after 6 April 2006 up to 31 March 2015, or who chose to transfer from the previous Police Pension Scheme (PPS) to the NPPS. The Police Pensions Scheme 2015 applies to all current active members who do not qualify for any protections allowing them to remain in their original scheme. Benefits payable under all three schemes are shown in tabular form:

	Police Pension Scheme (PPS) (1987)	New Police Pension Scheme (NPP) (2006)	Police Pensions Scheme 2015
What is maximum pension	2/3 final salary, with option to exchange part of the pension for a lump sum	½ final salary plus fixed lump sum of 4 times the pension, with option to exchange part or all of lump sum for extra pension	Pension at retirement is the sum of each of the accrued pension pots, subject to revaluation at a rate of CPI +1.25% per year
Final salary basis	Pensionable remuneration is normally the average remuneration in the employee's final year	Earnings over the last ten years are taken into account via best average over 3 consecutive years	Scheme is a Career Average Revalued Earnings scheme
Length of service for maximum pension	30 years	35 years	No maximum length of membership
Earliest age to receive pension	Age 50 after 25 years of service Any age after 30 years of service Age 55 for less than 25 years of service Age 60 if leave service before compulsory retirement age with less than 25 years of service	Age 55 if remain in police service until that age Age 65 if leave police service before age 55 or opting out of the scheme	Age 60 if remain in police service until that age. State pension age if leave police service before age 60.
Pension increases	All pensions in payment, deferred pensions and children's pensions are increased annually in line with the Consumer Price Index.	All pensions in payment, deferred pensions and children's pensions are increased annually in line with the Consumer Price Index.	All pensions in payment, deferred pensions and children's pensions are increased annually in line with the Consumer Price Index.
How is pension accumulated	1/60 of final salary for first 20 years of service, plus 1/30 for final 10 years of service up to a maximum pension entitlement of 40/60.	1/70 of final salary for each year of service up to a maximum 50% of final pensionable after 35 years of service.	1/55.3th of pensionable earnings each year is added to the members' pension pot for each year of membership.

Glossary of Accounting Terms

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

ACCRUAL

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

ACCRUED INCOME

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

ACTUARIAL GAINS AND LOSSES (PENSIONS)

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

AMORTISATION

An annual charge made to the overall PCC budget, reducing the value of an asset to zero, over a period of time.

ASSET

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

CC

Chief Constable

CIPFA

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

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The main revenue fund of the CC showing accounting costs for the year.

CODE

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

CURRENT SERVICE COST (PENSIONS)

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

CURTAILMENT (PENSIONS)

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

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

DEFINED BENEFIT SCHEME

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

DEFINED CONTRIBUTION SCHEME

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

EXPECTED RATE OF RETURN ON PENSION ASSETS

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

EXPENSE

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

GOING CONCERN

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

IAS19

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

IFRS

International Financial Reporting Standards

INCOME

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

INTEREST COSTS (PENSIONS)

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

INVESTMENTS (PENSION FUND)

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

JOINT AUDIT COMMITTEE (JAC)

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

LAAP

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

LIABILITY

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

NET OPERATING EXPENDITURE

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

PAST SERVICE COSTS (PENSIONS)

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

PCC

Police and Crime Commissioner

POLICE GRANT

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

PROJECTED UNIT METHOD (PENSIONS)

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

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

PROVISION

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

RELATED PARTIES

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

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

RELATED PARTY TRANSACTION

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

RESERVE

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

REVENUE BUDGET

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

SCHEME LIABILITIES (PENSIONS)

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

SETTLEMENT (PENSIONS)

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

Settlements include: -

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

TOTAL NET EXPENDITURE

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