



Chief Constable of Lincolnshire

Financial Statements - audited

2024/25

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Chief Constable of Lincolnshire
Statements of Accounts 2024/25

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Introduction to the Financial Statements

Chief Constable Paul Gibson



Since November 2012, policing services have been provided by two separate entities under the respective leadership of the Police and Crime Commissioner (PCC) and the Chief Constable.

I was appointed as Chief Constable for Lincolnshire Police from 1 April 2024.

Lincolnshire is a mix of rural, coastal and urban communities spanning 2,292 square miles, with a population of over 768,000 residents. The county has some of the best-known seaside resorts in the UK, which attracts over 21 million visitors annually to Lincolnshire from across England. Operating over a large rural area with low population density and busy coastal towns in the summer, Lincolnshire Police faces a variety of policing challenges.

It is a privilege to serve our diverse and vibrant communities in Lincolnshire as Chief Constable and I do not underestimate the responsibility that comes with it. Our aims continue to be stopping crime and anti-social behaviour, helping those in need and protecting people from harm.

My annual plan for 2024/25 'Making Lincolnshire Safe' set out the strategic direction for Lincolnshire Police, supporting the PCC's Police and Crime Plan and described my ambition to create an outstanding local police service, that is passionate about serving the public, and constantly improving how it protects our communities, working in partnership to secure a safe and resilient Lincolnshire.

To achieve those outcomes the strategy focussed on four key priorities:

- Building confidence in policing
- Delivering a thoughtful and effective service
- Developing an inspirational culture and rapidly improving organisation
- Securing fairer and sustainable funding

People sit at the core of the strategy – those who deliver policing and the public we serve. The strategy sets out our core values and the leadership principles which we will follow to deliver the highest standards of policing for our county.

Some of the progress and achievements over the last year are summarised as follows:

Lincolnshire Police were top of a national league table for answering more 999 calls within 10 seconds than any other force.

Tackling theft and property crime led to burglary reducing by 22% in Lincolnshire last year, against an increase in the national average.

Lincolnshire is consistently one of the best performing forces in the efficient management of lawfully held shotguns and firearms, leading to safer communities.

A Lincolnshire Police officer was awarded the title of Wildlife Enforcer of the year for work within the Rural Crime Action Team (RCAT) completing detailed investigations into wildlife crime. Lincolnshire has been amongst the best in the UK for driving out hare coursers. Rural crime affects our farming and rural communities and RCAT works to keep people safe and investigate the complex area of wildlife crime.

Successful investigation and court outcomes include jail sentences for burglars who targeted care homes, schools and doctors' surgeries across the country, a positive result in collaboration with other police forces. Another man guilty of sex offences was jailed for 19 years.

A specialist drones team has helped to harness technology to safeguard victims, detain offenders and find vulnerable people. Force drones were deployed over 1,300 times last year to search for missing people or suspects, and to support a range of operations and events. Employing drones to conduct searches is more efficient, saving considerable police officer time. Drone technology continues to develop at pace, and play a vital role in providing air support alongside the National Police Air Service (NPAS).

We continued to run "The Happening", which developed from the "Think Sharp" project, as a collaborative initiative to educate young people about the dangers of knife crime. This immersive experience aims to divert young people away from carrying a knife and being involved in serious violence and continues to attract good feedback from visitors.

Neighbourhood policing initiatives have made our communities safer by disrupting the supply of drugs into Lincolnshire, uncovering cannabis grows, seizing illegal vapes, dealing with traffic offences and tackling vehicle-related anti-social behaviour (ASB). Twenty-nine of the most prolific shoplifters have been banned from Lincoln stores. Police officers and staff are continually building intelligence and links in the local community to tackle crime.

Roads policing is a focus in Lincolnshire, including the regular Operation Tramline activity along the A1. This collaboration with National Highways targets dangerously driven commercial and private vehicles, aiming to educate motorists and reduce the number of incidents caused by unsafe driver behaviour. An unmarked HFV lorry loaned to the force by the National Highways has helped the Roads Policing Unit to patrol our main roads.

The latest report from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) on the Police effectiveness, efficiency and legitimacy (PEEL) inspection grades were received by the force on 14 May 2025 these grades relate to the forces' performance in 2023/24.

The HM Inspector of constabulary's observations noted 5 areas of concern and placed the force in an enhanced phase of the monitoring process which requires the force to develop an improvement plan to address the causes of concern. This enhanced monitoring phase is known as "Engage" and the 5 areas of concern are as follows:

- The force needs to attend calls for service in line with published target attendance times.
- The force needs to improve how it allocates, supervises and carries out investigations to make sure victims get the support they need.

- The force needs to make sure that it has the capacity and capability to manage the risks posed to the public by registered sex offenders.
- The force needs to improve its understanding of demand.
- The force doesn't have adequate strategic plans in place.

I accept the findings within the report, and we have been working hard to improve within these areas identified. Considerable progress has already been made, however, without additional resourcing, we will struggle to maintain these improvements over the longer term. It is also worthy of note that the Inspectorate has recognised that demand outstrips our resource, which goes to the heart of the perennial funding challenges we face. The Inspectorate also identified several areas of good work.

The improvements already made, and which will continue to be an area of focus include:

- Improving how it allocates, supervises and carries out investigations to build on their already better than average 'outcomes' for crime.
- Understand demand better and improve the quality of data so the Force can prioritise and deploy resources into supporting the most vulnerable people and targeting those offenders who pose the greatest risk to the public.
- Further improve how the risks posed by registered sex offenders are managed to keep communities feeling and being safe.
- Manage and deploy officers and staff efficiently and effectively including management of those on restricted duties and long-term sick.

The financial challenge for Lincolnshire is significant, resulting from persistent structural underfunding and the funding gaps are forecast to widen in future years when adjusted for inflation, meaning that the force will not be able to maintain services at the current level. Lincolnshire's funding position is consistently well below that for other forces and significantly below that of the average for our most similar forces.

Lincolnshire Police has maintained service levels thus far by securing additional one-off funding from the Home Office and using reserves, but that is not a sustainable position. The force will soon be required to implement a significant savings plan unless longer term Government support is forthcoming. Whilst savings of nearly £20m have been identified, the loss of specific grants, such as the Police Uplift Grant, which are conditional on maintaining officer numbers means that budget gaps will still remain. The workforce reductions required to deliver this level of savings will inevitably mean a reduced level of policing services within Lincolnshire. We continue to engage with the Home Office in respect of our funding position.

All the financial transactions for 2024/25, relating to the activities of the Chief Constable in accordance with the delegated arrangements agreed by the PCC, are recognised and recorded in these financial statements. In order to comply with accounting requirements, all the main accounting statements are presented even where there are few transactions to report. The Statement of Accounts sets out the financial performance and financial position of the Chief Constable as at 31 March 2025.

Roles and Responsibilities

The PCC and the Chief Constable have specific roles and responsibilities as determined under the Police Reform and Social Responsibility Act 2011. The PCC provides a link between the police and the community, setting out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan and also setting the policing and crime precept. The Chief Constable is operationally independent of the PCC but must have regard to the PCC's Police and Crime Plan.

The Chief Constable has direction and control over the force's police officers and staff. Under the Integrated Scheme of Governance, the Chief Constable has certain specific delegated powers which are set out in the Scheme of Consent and Scheme of Delegation.

During 2024/25 the organisation consisted of two distinct areas of operational command led by Chief Superintendents:

- Local Policing and Investigations - East & West
- Crime & Operations – Including specialised services such as Public Protection, Roads Policing and Criminal Justice

Review of the structure and police operating model started during 2024/25 and will continue in 2025/26.

The Force undertakes the provision of specialised policing services through regional collaboration with neighbouring forces in the East Midlands. This includes the East Midlands Special Operations Unit (EMSOU), East Midlands Criminal Justice Services (EMCJS) and East Midlands Police Legal Services (EMPLS).

The Chief Officers of Lincolnshire Police during the year ended 31 March 2025 are noted as follows:

Paul Gibson	Chief Constable (Appointed 1 April 2024)
Julia Debenham	Deputy Chief Constable
Chris Davison	Assistant Chief Constable (Local Policing and Partnerships)
Nikki Mayo	Assistant Chief Constable (Crime)
Sharon Clark	Director of Finance & Corporate Services (S151)
Charley Rimmer	Director of People Services
<i>Nicola Haywood-Cleverly</i>	<i>Chief Digital & Information Officer (Up to June 2024)</i>

The Statement of Accounts

The 2024/25 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting. The accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (the Act);
- The Home Office Financial Management Code of Practice for the Police Service of England and Wales 2018;
- The Integrated Scheme of Delegation including Financial and Contract Regulations.

Further Information

The Statement of Accounts 2024/25 is published as an internet document at www.lincs.police.uk.

Further information about the financial statements is available from:

The Director of Finance & Corporate Services
Police Headquarters,
Deepdale Lane,
Nettleham,
Lincoln,
LN2 2LT

In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection has been advertised on the Lincolnshire Police website.

Paul Gibson

Paul Gibson
Chief Constable of Lincolnshire

Annual Governance Statement 2024/25

Below are details of the Chief Constable for Lincolnshire's governance arrangements in operation during 2024/25 including plans for the financial year 2025/26.

1. Introduction

- 1.1 Good governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities.
- 1.2 All Police and Crime Commissioners and Chief Constables are required by regulation to produce an Annual Governance Statement (AGS).
- 1.3 This is a document which accompanies the statement of accounts and describes how effective our governance arrangements have been over the last 12 months and sets out areas for development. The Chief Constable's Statement is intended to support the Police and Crime Commissioner Group governance arrangements which are detailed in that separate set of accounts.
- 1.4 This Chief Constable's AGS sets out how Lincolnshire Police complied with the corporate governance framework during the year and it also details areas of improvement to enhance governance arrangements that the force plans to progress during 2025/26.
- 1.5 It is designed to complement the annual governance statement of the Lincolnshire Police and Crime Commissioner (PCC), to give the full picture of governance within Lincolnshire Police and the Office of the PCC for Lincolnshire.
- 1.6 The statutory deadline for publication of the draft unaudited accounts and AGS is 30 June 2025. The backstop deadline date for publication of the final audited accounts and AGS deadline is 27 February 2026.
- 1.7 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once 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 2024/25 published by the Chartered Institute of Public Finance & Accountancy (CIPFA).

2. Scope of Responsibilities

- 2.1 Under the Policing Protocol 2011 the PCC has responsibility for the delivery of efficient and effective policing, management of resources and expenditure by the police force. The PCC has a statutory responsibility to obtain the views of the community and victims of crime about the policing of the Force area and must take into account the views of responsible authorities. These views inform the PCC's Police and Crime Plan which sets the strategic direction and priorities for the Force.

- 2.2 The Chief Constable has responsibility where the Police and Crime Commissioner (the “Commissioner”) delegates functions in respect of securing an efficient and effective police force.
- 2.3 The Chief Constable is responsible for ensuring business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, being used economically, efficiently and effectively.
- 2.4 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by Lincolnshire Police (the Force), having regard to the strategic direction and priorities set by the PCC in the Local Policing Plan.
- 2.5 In discharging their responsibilities, the Chief Constable is required to put in place proper arrangements for the governance of their affairs and which facilitate the exercise of their functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.
- 2.6 The Chief Constable has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government and the guidance notes for policing bodies (revised in 2016 and Addendum, covering the annual review of governance and the annual governance statement published in 2025). A copy of the Lincolnshire Police Code of Corporate Governance is available on the Lincolnshire Police website or can be obtained from:
- The Chief Constable’s Office,
Police Headquarters,
Deepdale Lane,
Nettleham, Lincoln,
LN2 2LT.
- 2.7 This statement explains how the Chief Constable has complied with the Code and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.
- 2.8 Section 3.7.4 of the Code of Practice on Local Authority Accounting for 2024/25 requires a review of its system of internal control in accordance with best practice governance requirements. The Chief Constable’s financial management arrangements conform to the CIPFA Framework; Delivering Good Governance in Local Government and the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Commissioner and the CFO of the Chief Constable. The Chief Constable’s financial management arrangements are fully compliant with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Chief Constable.

3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, culture and values by which the Force is directed, controlled, and engages with the community to discharge the Chief Constable’s statutory functions.

- 3.2 It enables the Chief Constable to monitor the achievement of strategic objectives for the force, in line with the PCC's Local Policing Plan and the Strategic Policing Requirement. This also considers whether force objectives and plans have led to the delivery of appropriate, cost-effective services, including achieving value for money.
- 3.3 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Chief Constable's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.
- 3.4 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.
- 3.5 The governance framework was in place for the year ended 31 March 2025 and up to the date of approval of the statement of accounts.

4. The Governance Framework

- 4.1 By law the Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of Lincolnshire Police. The PCC is required to hold him to account for the exercise of those functions and those of the persons under their direction and control. The PCC therefore must be assured that the Force has appropriate mechanisms in place to maintain good governance and that they operate well in practice. This is done in a manner that recognises the commitment of the PCC and Chief Constable to abide by the working principles of the Policing Protocol as set out in the Schedule to the Policing Protocol Order 2011.
- 4.2 A Governance framework, collectively known as the Integrated Scheme of Governance gives guidance to make sure business is carried out efficiently and that decisions are not unnecessarily delayed. This was reviewed in 2024-25 and includes;
- The Scheme of Consent – which details the key roles of the PCC and those functions and powers which he consents to the Chief Constable.
 - The Chief Constable's scheme of delegation – covers the powers given to the Deputy Chief Constable and the Director of Finance & Corporate Services (S151 Officer).
 - The PCC and Chief Constable's financial and contract regulations – to provide clarity about the financial accountabilities of individuals acting on behalf of the PCC or Force.

The governance framework has been adopted by the Commissioner and the Chief Constable. The Commissioner's Code of Corporate Governance together with the Governance Framework is available on the Transparency page of the PCC for Lincolnshire's website.

- 4.3 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 provide reasonable but not absolute assurance of effectiveness.
- 4.4 The key elements of the systems and processes that comprise the governance arrangements in place for the Chief Constable are:
- Identifying and communicating the Operational Policing Plan, purpose and intended outcomes; the Plan is built from four elements:
 - The Police and Crime Commissioner’s Police and Crime Plan;
 - The Chief Constable’s Strategic Plan – “Making Lincolnshire Safe”;
 - The national Strategic Policing Requirement;
 - The Lincolnshire Police Control Strategy 2024-2027.
 - Measuring the quality of services for users, for ensuring they are delivered in accordance with the Chief Constable’s objectives and for ensuring that they represent the best use of resources;
 - Defining and documenting the roles and responsibilities of the Chief Constable and the Senior Officers, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity;
 - Developing, communicating and embedding codes of conduct, defining the standards of behaviour for officers and staff;
 - Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks and resources;
 - Undertaking the core functions of an audit committee, as identified in CIPFA’s Audit Committees: Practical Guidance for Local Authorities;
 - Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
 - A Whistle blowing policy and procedures for receiving, investigating, and reporting upon complaints from the public, and other stakeholders;
 - Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks;
 - Identifying the development needs of officers and staff supported by appropriate training and linked to the priorities of the Force;

- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the overall governance arrangements;
- Preparedness for dealing with emergency situations.

4.5 This section describes the key elements of the systems and processes of the governance arrangements that have been put in place by the Force. In doing so, it reflects the overarching structures that have been developed to deliver objectives and manage risk:

- Processes for setting objectives and targets that support the policing priorities outlined in the Police and Crime Plan, including reporting to the Commissioner. This is done in a manner that recognises the commitment of the Chief Constable to abide by the working principles of the Policing Protocol;
- An annual operational policing plan ‘Making Lincolnshire Safe’ is produced in response to the Commissioner’s plan;
- The tactical tasking and coordinating process is conducted in line with the National Intelligence Model including Daily Management Meetings with operational managers, Area Tasking, Force Tasking and Regional Tasking meetings which address both the Force objectives and emerging operational risk issues;
- Operational Commanders conference where operational matters can be discussed, risks identified and solutions found;
- The force engages with the National Police Chiefs Council to ensure that standards defined in the Strategic Policing requirement are met and the operational response from Lincolnshire Police is capable of adding to the national effort to meet the extremis needs of the country;
- The Lincolnshire Police Control Strategy 2024-2027.

4.6 Decision making structures for establishing priorities and considering strategic issues facing the Force:

- Internal departmental management teams establishing business plans;
- Chief Officer Team (COT) and the Force Executive Board;
- Chief Officers share and discuss key issues with senior staff;
- Reporting to the Police and Crime Strategic Board (PCSB); monthly monitoring of the financial plans to COT and PCSB and an annual governance report is provided to the PCC, detailing the years’ activity with regard to the financial and contract regulations, procurement, insurance, debtors and treasury management, and providing an overview of decisions made and their justification. The Procurement, ICT, HR and Asset Strategies are also examined by this Board;

- Feedback from the public and other local stakeholders.

In line with the Chief Constable's strategic plan "Making Lincolnshire Safe", the governance structure of the force includes an Executive Board which oversees the delivery of the strategy as a whole and five boards which operate as sub-committees of the Executive Board as follows:-

- Performance Board
- Capability Board
- People Board
- Culture Board
- Communities & Partnerships Board

These five Boards each manage performance against the relevant delivery plans for their respective responsibilities and report by exception to the Executive Board.

4.7 There is a high level of external scrutiny of organisational affairs by a variety of bodies including:

- Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS);
- External Audit;
- HM Revenue and Customs;
- Internal Audit;
- local communities; and
- the media.

4.8 A National Code of Ethics for the Police Service, developed by the College of Policing, and embedded and enshrined by Parliament; applies to all forces that are required to embed the Code. The Code applies to every individual who works in policing in England and Wales, whether a warranted officer, police staff, volunteer or someone contracted to work in a police force. It is the written guide to the principles that every member of the policing profession is expected to uphold and the standards of behaviour they are expected to meet and is seen as the foundation document for promoting, reinforcing and supporting the highest personal standards from everyone who works in the policing profession. All employees have been issued with a copy of this code; the Code of Ethics sits alongside the values established in the Force culture (Courageous, Open, Fair and Inclusive), in providing the Force with an ethical framework to make decisions.



- 4.9 The Code of Ethics is based on nine policing principles and ten standards of professional behaviour that will help everyone in policing to do the right thing in the right way. It spells out what the profession expects of all officers, staff and others working in policing, and has practical examples for everyone to use daily.

5. Risk Management

- 5.1 Lincolnshire Police has a risk management strategy and process in place that effectively manages risk against its business in order to ensure it operates under the sound principles of Corporate Governance.
- 5.2 Effective management of risk is critical to ensure the organisation maintains its services and continues to progress effectively towards achieving its strategic aims by reducing adverse impacts arising from uncertainty. Lincolnshire Police is committed to proactively identifying and dealing with the risks it faces including business risks, operational and strategic risks and threats.
- 5.3 Risk registers are a key tool in providing assurance to the Force and to the Police and Crime Commissioner (PCC) demonstrating that risks are being managed effectively through the regular and continued review of the Force Risk Register at the Risk Management Board, Senior Leadership Team meetings and the Joint Independent Audit Committee.
- 5.4 In addition to these internal assurances, there are external organisations such as internal and external auditors as well as Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) that work with the Force and the Office of Police and Crime Commissioner (OPCC) to ensure the risk management process is effective and robust.
- 5.5 Any negative outcome of internal or external audit is reviewed by the Force and plans are put in place to address the issues and ensure improvements are made.

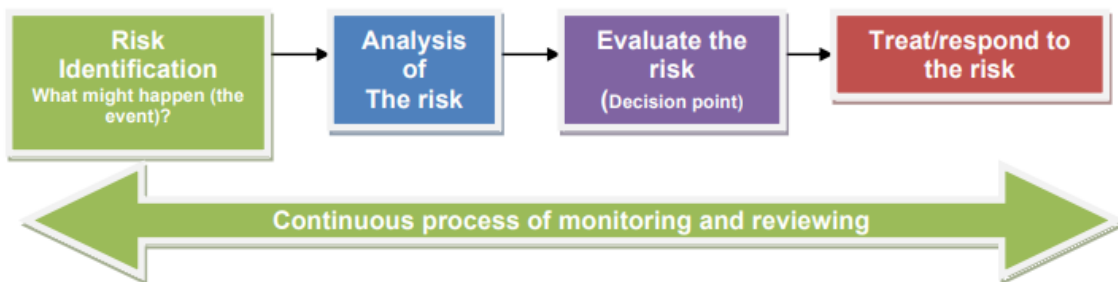
- 5.6 The Force risk register and process is owned by the Deputy Chief Constable of Lincolnshire Police with delegated responsibility to the Head of Strategic Development to manage the policy and processes on behalf of the Deputy Chief Constable.
- 5.7 The Risk Policy and Review Officer is responsible for managing the risk management process on behalf of the Head of Strategic Development and will maintain the policy and processes on their behalf.
- 5.8 It is the responsibility of all heads of departments and business areas to ensure they manage risks within their own areas of authority.
- 5.9 They are responsible for identifying risks in their individual business areas and for assessing them in terms of their impact and probability of occurring. Each department and business area, as well as all force projects, maintains a risk register.
- 5.10 The Force risk management process focuses on five levels of risk which can pass through a process of escalation depending on the scale of risk and effect it may have at either project, programme, department or force level.

Risk Level	Description
Force	<ul style="list-style-type: none"> • Risks at the highest level. • They are so significant that they threaten or enhance the long-term achievement of corporate objectives. • Will be discussed at Risk Management Boards, Senior Leadership Team meetings and the Joint Independent Audit Committee. • Departments/Business Areas will escalate risks from their departmental risk register which have become force risks, through the Risk Management Board, for inclusion on the Force Risk Register.
Department/ Business Area	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of department or business area objectives. • Will be discussed at Senior Management Team meetings. • Escalated up through the Risk Management Board if they pose a threat to corporate objectives and the Head of Department's limit of authority to manage the risk has been reached.
Programme	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of a programme. Will be analysed and scored in relation to the programme. • Will be discussed at Programme Board meetings. • Escalated through the Risk Management Board if they pose a threat to corporate objectives, and the Programme Manager's limit of authority to manage the risk has been reached.

Project	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of a specific project. • Will be analysed and scored in relation to the project. • If they are serious enough to impact on the Programme and the Project Manager's limit of authority has been reached, they should be escalated to Programme level.
Operational	<ul style="list-style-type: none"> • Risks concerning the day-to-day issues that Lincolnshire Police is confronted with as it strives to deliver its objectives. • Only escalated to the Force Risk Register if they pose a threat to corporate objectives.

5.11 In implementing risk management the Force has produced a Risk Management Strategy which details the roles and responsibilities of those involved in the undertaking risk management in the Force. It follows a set standard and process for risk management to ensure a consistent approach is adopted across the whole organisation. The Risk Management Strategy is reviewed by JIAC.

5.12 There are four key steps to the risk management process which are shown in the following flow chart:



5.13 Consistent risk management will allow the Force to plan effectively in the delivery of its outputs by knowing what circumstances that could prevent it from achieving its aims, and by putting in to place measures to prevent risk form occurring, therefore, saving time and resources.

5.14 The Force Risk Management Board is responsible for the following:

- Determining if risks are critical to the Force;
- Managing and developing the risk management process;
- Review risk assessments of potential force risks;
- Monitor red and amber risks on a quarterly basis;
- Assigning Risk Owners to a risk depending on the risk assessment score;

- Providing visible leadership and commitment to the Force risks and risk management process throughout the organisation;
- Ensuring programme and project assurance.

5.15 Membership and terms of reference of the Force Risk Management Board are set out within the Force Risk Management Policy. Lincolnshire Police has an established post of Force Risk Officer whose duties include maintaining the Force Strategic Risk Register and advising on the total risk to which the Force is exposed. Risk focal points within each division and department have also been nominated.

The PCC and the Force maintain an extensive assurance map in conjunction with the strategic risk registers and process risks. The assurance map is based on the three lines of defence approach and is suitably comprehensive and effective for the purpose of assuring on established mitigations and scoring of strategic risks. Operational managers across the business provide the first line of defence by owning and managing risks. Functions that oversee risks, such as risk, compliance, financial and IT controls provide a second line of defence. Functions that provide independent assurance over risks, include internal audit, external audit and other sources of external scrutiny such as HMICFRS inspections.

Review of Effectiveness

5.16 The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. This annual governance statement (AGS) provides a summary of activities undertaken and areas for continuous improvement identified through the Force review of the governance arrangements; these have been included in the action plan for delivery in 2024-25.

5.17 This review aims to confirm whether current arrangements are fit for purpose and is presented to the Joint Assurance Group and Joint Internal Audit Committee. The review also provides updates and confirmation regarding the completion of areas for improvement identified in the annual governance statement.

5.18 This review has been informed by the work of the Deputy Chief Constable (DCC) and the Director of Finance and Corporate Services together with managers within the Force who have the responsibility for the development, maintenance and operation of the governance environment.

5.19 On an ongoing basis governance is monitored and reviewed via a range of mechanisms. These range from formal meetings (in areas such as Force performance board, project management arrangements and conduct oversight from the Professional Standards Department) to the operation of management teams at corporate, area and service level.

Joint Independent Audit Committee (JIAC)

5.20 The Commissioner and Chief Constable have a Joint Independent Audit Committee (JIAC). The JIAC provides advice on matters relating to the adequacy and effectiveness of the financial and other controls, corporate governance, financial and

contract regulations and risk management arrangements operated by both the Commissioner and the Chief Constable. The JIAC is subject to an annual self-assessment.

- 5.21 The JIAC has received and considered information and reports from both internal and external audit and monitored the implementation of action plans drawn up to address identified internal control weaknesses. The Head of Internal Audit provides an opinion for each of the Police and Crime Commissioner and Chief Constable, based on the work undertaken in the year, on the adequacy and effectiveness of the assurance framework, risk management, internal control and governance. The External Auditor provides an opinion on the financial statements/value for money.
- 5.22 Delays in the commencement and completion of external audits, as a result of resourcing issues were experienced across the public sector external audit environment. This meant that, the audits of the Financial Statements for 2021/22 and 2022/23 and 2023/24 were all closed off during the 2024/25 financial year, with disclaimed opinions on the basis of limitations imposed by the backstop dates resulting in insufficient audit evidence for external auditors to conclude the financial statements were free from material misstatement.
- 5.23 The Committee aims to ensure there is continuous improvement in the process and receives regular updates on progress to address the areas for improvement.
- 5.24 Assessments and recommendations made by the internal and external auditors and other review agencies and inspectorates have informed this review.

Internal Audit Function

- 5.25 Under the Accounts and Audit (England) Regulations 2015, the PCC and Chief Constable are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital role in advising the PCC and Chief Constable that these arrangements are in place and operating effectively.
- 5.26 The internal audit function is carried out by Forviz Mazars LLP for both the PCC and Chief Constable. Audit reviews are undertaken in line with an annual internal audit plan, which is reviewed by the JIAC.
- 5.27 Internal audit reviews throughout the year identified a number of areas for improvement, to further enhance the force governance arrangements. The actions to achieve these improvements are monitored by the Deputy Chief Constable and reported to the JIAC.
- 5.28 Forviz Mazars LLP were appointed internal auditors for the 3 years up to 31 March 2026 with a further 12 month extension being agreed by the East Midlands regional CFO's up to 31 March 2027.
- 5.29 Management have agreed recommendations to address all the findings reported by the internal audit service during the 2024/25 year.

- 5.30 Forvis Mazars LLP will present the Internal Audit Annual Report for 2024/25 in respect of the Chief Constable of Lincolnshire and the PCC for Lincolnshire to the JIAC in July 2025, with the following Head of Internal Audit opinion.

“On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness.

This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work, in particular a no assurance opinion was provided during the period in respect of Skegness Custody Upgrade.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as ‘High’ and ‘Medium’. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04 [of the Internal Audit Annual Report to Management].”

- 5.31 Of the 9 internal audits undertaken during the year for the PCC and Chief Constable Group, where a formal assurance level was provided, 4 received a substantial level of assurance, 4 audits received a moderate level of assurance and 1 audit received a limited level of assurance.

Internal Audit Reports with Substantial Assurance (2024/25):

- Financial Resilience & Medium Term Financial Plan (MTFP)
- Core Financials & Payroll
- Fleet Management
- Employee Fairness at Work

Internal Audit Reports with Moderate Assurance (2024/25):

- Organisational Change Management
- Contract Management
- Recruitment
- Apprenticeship Levy

Internal Audit Reports with Limited Assurance (2024/25):

- IT Asset Management

A single-issue internal audit by request of Lincolnshire Police was also undertaken which resulted in an unsatisfactory opinion. The findings of this report are now being addressed and further review built into the 2025/26 Internal Audit Plan.

Internal Audit Single Issue Reports with an Unsatisfactory Opinion:

- Skegness Custody Upgrade Project

- 5.32 A total of 35 new recommendations were made during the year 2024/25 at the Force and OPCC, with 10 recommendations categorised as “High” priority, 17 recommendations categorised as “Medium” priority and 8 recommendations categorised as “Low” priority.

- 5.33 Internal audits reported as ‘Limited’ assurance indicate internal controls are either not in place or not working satisfactorily. ‘Unsatisfactory Assurance’ indicates there are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail. Where such

deficiencies are identified, robust management action is taken to address the control issues and respond to recommendations highlighted by the internal audit team, especially those categorised as 'High Priority Recommendations'. Progress against all recommendations is reported to each meeting of the Joint Independent Audit Committee, to address limitations and improve controls. Further details can be found on the PCC for Lincolnshire website.

- 5.34 Management agreed recommendations to address all the findings reported by the internal audit service during 2025-26.
- 5.35 Regular Public Assurance meetings consider police performance and the Police and Crime Strategic Board (PCSB) considers financial and people resources. The PCSB also considers long term strategy development, the assurance map, significant and emerging risk areas and the Chief Constable's report.

Governance review

- 5.36 The effectiveness of the governance framework is reviewed annually by the Chief Constable. The review has been informed by:
- Consideration of the Chief Constable's risk management regime;
 - The code of corporate governance;
 - The Integrated Scheme of Governance (ISG) which includes the Scheme of Consent, Commissioner's and Chief Constable's Schemes of Delegation and the Financial and Contract regulations;
 - Consideration of the Commissioner and Chief Constable's joint assurance map (through both developmental and embedded stages);
 - HMICFRS reporting and inspection work;
 - External and internal auditors and their formal reporting;
 - Managing change, developing our policing model to meet threat, risk and harm and new technologies, all of which are discussed at the Capability Board;
 - Feedback received from the JIAC.
 - The PEEL Inspection programme conducted by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) scrutinises all 43 police forces in England and Wales and examines their Police Efficiency, Effectiveness and Legitimacy providing comparable grades for each of the 43 forces in England and Wales.
 - Benchmarking information and other external reviews and reports commissioned by the Chief Constable.

External scrutiny

- 5.37 The latest HMICFRS Police effectiveness, efficiency and legitimacy (PEEL) inspection grades were received by the force on 14 May 2025 these grades relate to the forces' performance in 2024/25.
- 5.38 For that PEEL exercise, HMICFRS assessed how good Lincolnshire Police is in nine areas of policing and graded judgements were made in eight of those nine areas as follows:

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

HMICFRS also inspected how effective a service Lincolnshire Police gives to victims of crime but they don't make a graded judgement in that overall area.

It isn't possible to make direct comparisons between the grades awarded in this PEEL inspection and those from the previous cycle of PEEL inspections. This is because HMICFRS have increased their focus on making sure forces are achieving appropriate outcomes for the public, and in some cases they have changed the aspects of policing they inspect.

- 5.39 The HM Inspector of constabulary's observations noted 5 areas of concern and placed the force in an enhanced phase of the monitoring process which requires the force to develop an improvement plan to address the causes of concern. This enhanced monitoring phase is known as "Engage" and the 5 areas of concern are as follows:
1. The force needs to attend calls for service in line with published target attendance times.
 2. The force needs to improve how it allocates, supervises and carries out investigations to make sure victims get the support they need.
 3. The force needs to make sure that it has the capacity and capability to manage the risks posed to the public by registered sex offenders.
 4. The force needs to improve its understanding of demand.
 5. The force doesn't have adequate strategic plans in place.
- 5.40 Being moved into Engage enhanced monitoring by HMICFRS whilst the funding settlement that we receive from the government does not substantially improve the financial position presents Lincolnshire Police with a significant challenge.

- 5.41 The Future Lincs programme, led by the Chief Constable, is the force response to the HMICFRS Engage process and funding situation in order to meet that challenge.
- 5.42 The Chief Constable will chair a monthly Future Lincs meeting that will review progress under two key themes, each having its own board, which meet fortnightly.
- 5.43 The first of these boards reporting into Future Lincs is called Operation Pledge and manages our response to the five causes for concern identified by HMICFRS. Improvement plans have been developed for each of the five areas (response to incidents, investigations, management of sex offenders, understanding of demand and strategic planning) and the force is working hard to ensure these plans are delivered successfully.
- 5.44 The Chief Constable will be held to account, for the progress made, at the Police Performance and Oversight Group which comprises national stakeholders and government representatives and is chaired by HM Chief Inspector of Constabulary.
- 5.45 The second board that reports to Future Lincs is the Transformation Board, through which a force model will be developed to deliver the best and most affordable service, whilst continuing to lobby for more sustainable funding.
- 5.46 In addition to Future Lincs boards, the force's progress against 'areas for improvement' and recommendations made in inspections continues to be tracked and progress monitored by the force through its HMICFRS tracker. This document is regularly reviewed as part of the Commissioners "holding to account" governance processes and the force provide a summary report on outstanding remedial activity for review by the JIAC. HMICFRS operate a 'register of recommendations', to ensure that all recommendations both thematic and force specific have been addressed and remedial work has been fully completed to their satisfaction.
- 5.47 The force is making progress to address all of the above matters and further enhance our governance arrangements.
- 5.48 Outside of the PEEL regime the force did not receive any further inspection visits specifically relating to the force.

Assurance on controls

- 5.49 Assurance on the effectiveness of the Chief Constable's financial controls has been provided by the Director of Finance and Corporate Services who was designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government (2014).

The Integrated Scheme of Governance (ISG) reflects the governance arrangements arising from the Police Reform and Social Responsibility Act 2011. The JIAC is consulted on the scheme and its content as part of an annual review.

Targeted Finance & Governance training sessions have continued to be delivered to Senior Leaders and First Line Leader courses throughout 2024/25 by way of face-to-face training sessions. These training sessions aim to provide a basic understanding of the ISG, related legal requirements, financial awareness, value for money and efficient use of resources, budget management and resource management.

- 5.50 The Chief Constable's risk management arrangements are well developed and well embedded. The JIAC reviews the Chief Constable's risk management strategy on an annual basis and monitors the Chief Constable's strategic Risk Register quarterly. The Chief Constable considers and reviews risk on a monthly basis through management meetings.
- 5.51 The Chief Constable and the Commissioner have a joint Anti-fraud and Corruption Policy in place which has been reviewed during the year. Quarterly meetings of the Anti-Fraud and Corruption Board ensure that current and emerging risks and issues in relation to anti-fraud and corruption are regularly discussed and reviewed. The JIAC are kept abreast of any issues arising. In addition, a joint fraud risk register has been developed to help in proactively identifying and assessing current and emerging fraud risks and potential actions to mitigate the risks identified. Mandatory training on counter corruption continued to be delivered to all staff and officers across the organisations via the College of Police e-learning system; raising awareness of issues surrounding police corruption and misconduct. The Joint PCC and Chief Constable's Police and Crime Strategic Board (PCSB) adopted the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption published in 2014 and has implemented an effective anti-fraud and corruption strategy. An assessment of the Force capability has been made against the adopted CIPFA code.
- 5.52 Having considered all the principles, the Professional Standards Department are satisfied that, the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- 5.53 CIPFA's Financial Management Code (FM Code 2019) provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that policing bodies are managing resources effectively, regardless of their current level of financial risk. A self-assessment of compliance with the code was undertaken by the Finance department in 2023/24. A further self-assessment for 2024/25 will be undertaken during 2025/26 for consideration by JIAC and an action plan developed if necessary, to ensure full compliance.
- 5.54 The Chief Constable has been advised on the implications of the result of the review of the effectiveness of the governance framework by the executive team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

6. Significant Governance Risks and Issues

- 6.1 The Risk Register is a tool that identifies the risks that would prevent or distract the Chief Constable from achieving their objectives. Risk registers are a key tool in providing assurance to the force and to the Police and Crime Commissioner (PCC)

that risks are being managed effectively. Assurance is achieved through the regular and continued review of the force risk register at the Risk Management Board, and the Joint Independent Audit Committee. This in turn helps to prevent issues arising and/or to manage issues when they do arise.

- 6.2 All significant governance issues occurring during the year, have been addressed through the risk register.
- 6.3 The force assurance map is recognised by the Chief Constable and the PCC as a vital tool for effective corporate governance. It provides timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues; it also provides a cohesive and comprehensive view of assurance across the risk environment. The assurance map provides much of the evidence base for this annual governance statement. The force assurance map is an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Independent assurance is also provided by the JIAC.
- 6.4 An assurance map is a structured means of identifying and mapping the main sources and types of assurance in an organisation across the three lines of defence and coordinating them to best effect.
- 6.5 The force assurance map is owned by the Deputy Chief Constable (DCC) and supported by the Risk, Policy and Review Officer (RPRO), provides a dashboard view of assurance levels against each organisational theme of the force. This is a new streamlined approach which assesses individual areas against Delivering Good Governance in Local Government Framework (CIPFA) Solace governance criteria. The assurance map is reviewed fully twice a year by the DCC and is a standing agenda item on the Force Risk and Assurance Board chaired by the DCC.
- 6.6 High level risks on the assurance map are considered on a quarterly basis at a quarterly Risk Management Board which consists of all the key risk owners, to support the continuous assessment of the effectiveness of the management of risk and internal control. The Force's Risk Register is reviewed monthly by the Deputy Chief Constable and the Force Risk, Policy and Review Officer.
- 6.7 The Chief Constable's significant governance issues are detailed below and include an outline of the actions taken or further work that is required to address the issues. Significant governance issues are reported to the JIAC at least 4 times each year.
- 6.7.1 ***Risk of failure to persuade government of Lincolnshire's case for a more equitable share of national funding.***

The central government grant that Lincolnshire receives is well below the national average and this was acknowledged in the Home Office Core Grant Distribution Review, which considered potential changes to the police funding formula. The long-awaited review of the funding formula is yet to be concluded; therefore, it is still unclear what the change will be and when this will be finalised or implemented. This means that Lincolnshire Police will continue to face the challenge of delivering services with a lower level of funding than comparable forces for this and future financial years. Lincolnshire Police will face an increasing budgetary gap which will necessitate the

use of reserves and a robust savings plan to deliver a balanced budget position, placing service delivery at risk. This is a current issue for Lincolnshire Police because the current budget gaps are too great to be supported by reserves in the future and therefore require additional funding and/or significant savings to close the gap.

6.7.2 Risk of failure to achieve and demonstrate efficiencies and value for money.

1.1. The PCC and Chief Constable both have a statutory duty to make the best use of resources available to them. The capital programme continues to support this by investing in equipment and technology which improves operational efficiency such as vehicle replacement, mobile devices, video technology, infrastructure upgrades and exploring and exploiting emerging technologies to apprehend criminals faster than before. Investment decisions and benefits realisation are undertaken by the Force Capability Board and monitored by the Police and Crime Strategic Board; independent assurance is gained through HMICFRS via the Efficiency pillar of their PEEL inspection programme. The Financial Strategy includes performance measures relating to both financial health and financial performance, supported by - plans and policies.

6.7.3 Risk of failure to deliver and demonstrate Value for Money in regional collaboration.

The PCC and Chief Constable collaborate with the East Midlands region in many operational and back-office areas. Regional Collaboration arrangements are subject to robust review and scrutiny to achieve agreement on service delivery and related budgets. Given the national funding landscape, challenges remain over the size and composition of regional resources, but an effective and active dialogue is underway; a no nonsense focus on open and evidence-based decisions will support effective navigation of any changes.

6.7.4 Risk of failing to deliver a new Enterprise Resource Planning (ERP) system concurrent with a sufficiently supported outgoing system.

The current ERP system, which we refer to as 'tPolice', is at the end-of-life stage of use and is out of support with the supplier. Market driven support has been secured and extended to December 2025. The force has defined the requirements for a replacement ERP system and is currently implementing a new system. This system will support crucial enabling functions including Finance, HR and Procurement. A replacement ERP will ensure we have a fully supported and fit-for-purpose system which increases the effectiveness and efficiency of data management and reporting capability. This is a significant issue for Lincolnshire Police currently because the current system is already beyond the point of being in need of replacement.

7 Information Risk

7.1 The Force Information Risk Appetite remains set as OPEN;

Willing to consider all options and choose the one that is most likely to result in successful delivery minimising residual risk as far as possible, while also providing an acceptable level of business benefit.

7.2 The Force continues to progress its work on information security and there is an Accreditation Programme in place for IT systems.

- 7.3 All officers and staff have completed online Data Protection and Managing Information training courses.
- 7.4 Information strategy and policy is approved and deployed by the Information Management Board, who also oversee information and data quality issues, including information risk. The Board is chaired by the Senior Information Risk Owner (SIRO) and any information risks that are outside of the Force risk appetite are escalated to Chief Officer Team as necessary.
- 7.5 Information Asset Owners are aware of their responsibilities with regard to risk within their area of responsibility, with a clear escalation path through the Force Information Management Board and Risk Management Board to the SIRO. Additionally, the Information Management Board discusses information risk as an agenda item. All Information Asset Owners have completed detailed risk assessments on all of their systems. They have also undertaken Information Asset Owner specific online information assurance training.
- 7.6 Regular weekly meetings between the Information Assurance and IT staff continue to ensure that risks identified through IT Health Checks or system accreditation are mitigated in an appropriate timeframe.

8 Future Plans

- 8.1 Over the coming year, our plans will continue to address the above matters and to further enhance our governance arrangements. These steps will address the need for improvements that were identified in the review of effectiveness and their implementation will be monitored as part of our next annual review.

9 Conclusion

This statement has been prepared on the basis of the review of effectiveness of governance arrangements. Advice and/or recommendations on the annual governance statement have been received from internal and external auditors and the JIAC. It represents a fair and reasonable assessment of current arrangements and plans for improvement within Lincolnshire Police.

These arrangements continue to be regarded as fit for purpose in accordance with the governance framework and provide a reasonable level of assurance that such arrangements are effective.

Over the coming year we will be taking steps to address the matters outlined in this statement and also addressed within the annual internal audit opinion to further enhance governance arrangement and control compliance. We will monitor the implementation of the plan and operation through appropriate committees throughout the year as well as part of the next annual review.

SIGNED

Paul Gibson

Paul Gibson
Chief Constable of Lincolnshire
Date: 24 February 2026

Chief Finance Officer's Narrative Report

The Narrative Report to the financial statements provides a guide to the most significant matters reported in the accounts and includes key performance information, a comparison of outturn figures to the budget and highlights significant areas of expenditure and major changes.

Introduction

I am pleased to present the Statement of Accounts for the Chief Constable of Lincolnshire for the financial year 2024/25. This Statement of Accounts sets out the overall financial position of the Chief Constable for Lincolnshire for the year ended 31 March 2025.

The Chief Constable of Lincolnshire is responsible for providing operational policing services to a population in excess of 710,000 dispersed across a large geographical area of 590,000 hectares.

The Police and Crime Commissioner (PCC) for Lincolnshire determines the level of funding allocated to the Chief Constable for the provision of policing services within Lincolnshire.

The 2024-25 provisional Police Grant settlement covered just one year. The total core grant for Lincolnshire was £75.9m, an increase of £4.322m. The core grant included the Pay Award Grant which was issued separately last year and amounted to £2.745m. In addition, a ringfenced allocation of £3.5m was available to Lincolnshire on achievement of the police officer uplift programme target (1,186 officers for Lincolnshire) and in accordance with the grant conditions. The pension top-up grant allocation of £3.6m has increased in line with the increased employer contribution rate for police officer pension schemes from 31% to 35.3% (2023/24: £1.2m).

The Minister confirmed the precept referendum limit to allow an increase of up to an additional £13 per annum for a Band D property for 2024/25 only, without the need to call for a local referendum.

As in previous years, the existing approach to distributing national funding to local police force areas will continue in 2024/25. The Minister's statement did not refer specifically to the timing of the Core Grant Distribution Review (funding formula review).

The grant settlement was subject to consultation and the Police & Crime Commissioner wrote to the Home Secretary and Minister of State for Policing and Fire Services expressing his views. The Final Police Grant Report 2024/25 was confirmed by the government on 31 January 2024 and subsequently debated by Parliament on 7 February 2024. The Policing Minister confirmed that the government was preparing to consult on updating the police funding formula in the near future.

The global economy is set to grow at the slowest pace for over thirty years over the next five years according to the IMF. The causes of the Covid-19 pandemic, war in Ukraine and the soaring cost of living continue to reverberate across the world. The escalating trade tariff rates and trade tensions further intensify the uncertainty. The UK economy is predicted to flat-line during 2025 as pressure builds on business at home and abroad with US tariff plans a contributing to the major challenges effecting the government spending plans. The need for clear and robust plans and adequate levels of reserves are now more important than ever.

Governance

The Chief Constable is responsible for operational policing within Lincolnshire, with the PCC being responsible for the totality of policing.

The Chief Constable holds joint responsibility with the PCC for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To discharge this accountability, the PCC and Chief Constable must put in place procedures for the governance and stewardship of the resources at their disposal.

The annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement, which forms part of these Financial Statements.

Organisation

The PCC receives all funding and income and makes all payments for the PCC Group. Under a detailed Scheme of Delegation an annual budget is provided, following consultation with the Chief Constable, for fulfilling the requirements for policing Lincolnshire in accordance with the Police and Crime Plan. The Chief Constable spends his delegated budget to provide the operational policing services in Lincolnshire.

All Police Officers, and the majority of police staff (other than a small number relating to the PCC's Office, Victim Lincs staff, and regional support arrangements) are in the Chief Constable's employment.

These Financial Statements reflect the cost of providing operational policing, with the PCC's accounts showing a commensurate transfer of resources to the Chief Constable. A separate set of accounts has been published for the PCC and the PCC Group, which consolidates the Chief Constable's accounts and also recognises all of the transactions incurred during 2024/25 for policing in Lincolnshire.

Lincolnshire Police is one of five regional forces in the East Midlands and works closely with the other four across various collaborations to provide an efficient service. More detail and how the regional accounts are accounted for in these Financial Statements is provided in Note 17.

Key Crime Statistics

In the 12 months to March 2025 overall crime recorded was 55,141 incidents – a reduction of 0.37% from the previous year. The crime harm index (a measurement of crime rates in which crimes are weighted based on how much “harm” they cause) reduced by 7.42% within the year.

Some of the key crime recording statistics are shown below -

- The number of homicides increased to 15 (an increase of 36.3%)
- The number of burglaries reduced with the number of overall burglaries at 2,473 (a reduction of 12.09%).
- Theft cases overall (excluding vehicles) were increased by 1.76%, with a total number of 11,398. Thefts from person increased to 214 (an increase of 31.29%) whilst shoplifting grew by 12.4%, with a total of 6,727.
- Vehicle crime overall increased by 5.53% to 2,194 incidents in year. This included theft of vehicles increases by 5.69% and theft from vehicles increase by 5.16%.
- Arson and criminal damage incidents reduced from the with previous year 5,466 incidents recorded (reduction of 3.688%).
- Stalking and harassment cases totalled 6,632 – a reduction of 9.79%.

- Robbery incidents increased by 3.21% to 386.
- Sexual offences overall reduction to 2,743 (a reduction of 12.79%) with rape cases also showing a decrease to 973 (reduction of 1.57%).

Over the 12-month period the force has, on average per month issued the following tickets speed 159, seatbelts 41, mobile phone 79, dangerous driving 88 and drink/drug driving 120. All the driving enforcement activity areas have seen an increase in volumes over the previous year apart from drink/drug driving which saw a very small decrease.

Across the year there were 657 mental health detainees dealt with by the force – and dealing with mental health incidents continues to put significant strain on resources.

During the year the force received 147,236 calls for service – a reduction of 2.5% on the previous 12 months. More than 97.18% of Emergency calls were answered within 10 seconds.

There has been another encouraging increase in the number of crimes reported online with the 15,652 representing an increase of 21.12%.

The Force Urban Response time target for urgent calls is under 15 minutes and over the last 12 months 53.4% of urgent incidents have been attended within this time. The Force Rural Response time target is under 20 minutes and in the last 12 months 62.87% of urgent incidents have been attended within this time.

Lincolnshire Police received 1,238 complaints in the 12 months to March – an increase of 10.40% on the previous year.

Further information about Force performance together with a detailed local breakdown is available through the Chief Constable's website at www.lincs.police.uk and the crime mapper website <https://police-uk.org/uk-crime-map/>.

Gender Pay Gap - overview

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into effect on 31 March 2017, which requires public sector authorities with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. Lincolnshire Police employs around 1,500 people and is therefore subject to this duty.

It is important to understand that pay for both police officers and staff is determined nationally and to recognise that gender pay reporting is not the same as equal pay. Equal pay is ensuring equal pay for equal work; however, gender pay reporting compares hourly rates of pay and any bonuses staff may receive by gender, seeking to expose any imbalance.

Based on the results, steps will be taken, where possible, to minimise or readdress any identified inequities going forward.

Mean gender pay gap reporting

This is the difference between the average hourly earnings of men and women. This is calculated by adding up the hourly wages of men and the same for women.

The mean pay gap is the difference between the two mean averages for men and women.

Median gender pay gap reporting

This is the difference between the middle value of hourly earnings for men and women. This is calculated by listing all of the hourly wages of men and women separately in ascending order to find the middle value.

The median pay gap is the difference between the two middle values for men and women.

Our Pay Gap Information

These figures are calculated using the standard methodologies laid out in current legislation:

Published mean and median information				
	Male	Female	Gap	Percentage
Mean hourly rate	£19.94	£18.64	£1.30	6.48%
Median hourly rate	£21.22	£17.33	£3.89	18.31%
Total employees - salary quartile bands				
	Lower	Lower-middle	Upper-middle	Upper
Male proportion	40.64%	49.38%	53.82%	66.02%
Female proportion	59.36%	50.62%	46.19%	33.98%
Published bonus information*				
	Male	Female	Gap	Percentage
Mean bonus	£978.70	£983.34	-£4.64	-0.47%
Median bonus	£450.00	£500.00	-£50.00	-11.11%
Proportion receiving a bonus	2.28%	2.33%	-0.05%	N/A

*Bonuses are usually paid for 'unpleasant tasks', or for additional work or responsibilities. Chief Officers do not receive bonuses.

Summary

This is Lincolnshire Police's eighth Gender Pay Gap Report. We are pleased to report that we have seen positive results, with a reduction of 1.08% in the overall mean pay gap this year, and a reduction of 3.27% in the overall median pay gap for police officers and police staff. There has been an increase in the proportion of the female workforce across all quartiles, particularly in the upper middle quartile.

Our recruitment teams have continued to work hard to engage with and recruit new police officers and staff from all under-represented backgrounds. The percentage of new female police officer recruits was 45% in the reporting period, which is an increase of 19% compared to 2022 and 2023.

Further opportunities for female police officers and staff to progress within the organisation have been undertaken including Future Leader Programmes, Lead, Engage and Develop (LEAD) programme, Coaching and Mentoring, Fast Track Schemes and Detective Pathways.

Lincolnshire Police also endorses their Women's Inclusive Network (WIN) who are undertaking a Women in Leadership Event, targeted at women who aspire to be leaders to support their career goals and continuous personal development.

Workforce information is monitored and reviewed by the Gender Steering Group, chaired by the Deputy Chief Constable for Lincolnshire Police. This is to ensure positive progress is made to consider and implement initiatives to further enhance this. This now includes undertaking annual gender analysis of police officer promotions, and by encouraging any identified under-represented groups to apply for roles.

As an organisation we remain determined to tackle the under-representation of women through all grades and ranks and provide every opportunity for women to progress. The Force remains committed to ensuring fairness and inclusivity within Lincolnshire Police and acknowledge the many benefits this brings to our organisation.

This year, additional analysis has been undertaken to break down the gender pay gap for our officer and staff workforce separately due to the potential impact of the different pay and grading structures, and to allow further consideration of specific areas of targeted activity.

This analysis has demonstrated that the pay gap is significantly lower when considering the officer and staff workforce separately. For police staff we have a 2.63% Mean pay gap, with 30% of our female staff workforce employed at a senior grade. For officers, the mean pay gap is currently 1.71%. We continue to work to identify opportunities to improve this position further, through the development of a gender action plan.

Financial Performance

A summarised statement of the actual net expenditure compared to the approved original budget for the year is set out below:

Chief Constable for Lincolnshire	2023/24	2024/25
	£m	£m
Original Budget	148.3	160.2
Revised Budget	151.9	165.8
Outturn	147.6	160.5
(Underspend)/ Overspend to revised budget	(4.3)	(5.4)

The Chief Constable actual expenditure in 2024/25 was £5.4m underspent against the revised budget. There were a number of significant variances across the whole budget, both favourable and adverse which included the following:

- Police Officer Salaries underspend of £0.75m due to lower basic salary and pension contributions compared to budget.
- Police Staff Salaries underspend of £0.55m due to vacancies significantly exceeding the budgeted vacancy factor during the early part of the financial year as recruitment gathered pace.
- Police Community Support Officer (PCSO) Salaries underspend of £0.47m due to vacancies exceeding budgeted vacancy factor.
- Digital, Data and Technology underspend of £2.73m due to a combination of external contracts review/rationalisation and contract renewal costs being lower than budget.
- Fleet Management underspend of £0.81m which was a combination of fuel, parts and hired transport cost lower than budgeted.

Capital Expenditure

Capital expenditure is undertaken by the PCC as the Chief Constable does not hold any assets. Information relating to assets held and capital expenditure incurred during the year, together with the historical debt position, is included within the PCC accounts. The Chief Constable uses the assets held by the PCC for operational policing.

In order to provide the assets (buildings, vehicles and equipment) required for operational use by the Chief Constable, the PCC spent £3.8m in 2024/25 which included:

- Skegness Custody Ventilation and Heating system £975k
- Vehicles £1,724k
- Contact Management and Unify Telephony System (Command & Control) £396k
- ANPR £148k

The PCC has approved a capital programme of £16.1m for 2025/26, and includes:

- £8.1m investment for ICT transformation;
- £3.0m investment in the Force estate improvements and maintenance;
- £3.4m replacement programme for vehicles.

Reserves

All reserves are held by the PCC; however, a number of these reserves are held to manage operational risks within the Chief Constable's budget.

Earmarked reserves as at 31 March 2025 total £31.899m (including regional reserves) and are held for specific expenditure or contingencies. Movements in Earmarked Reserves are detailed in Note 7.

The PCC had a General Reserve of £7.8m as at 31 March 2025. There are no plans to use this to balance the 2025/26 revenue budget, however it may become necessary to do so beyond 2025/26. It is likely that, for 2026/27 onwards, there will be a requirement to continue with a reserves policy based upon the minimum of the risk assessed target range to enable drawdown of risk-based reserves to support the MTFP.

The range of required reserves according to the latest risk-based assessment is £12.6m - £26.8m, the mid-point of which is £19.7m. This is compared against forecast risk-based reserves for 2025/26 of £12.6m: General Reserve £7.8m, Major Incident Reserve £1.9m, Victim's Major Incident Reserve £0.1m, Insurance Reserve £1.0m, National Police Air Support £0.2m, Ill Health Reserve £0.5m and Capital Financing £1.1m.

Given the context of general financial risk, the need for sound financial control is further emphasised. The role of the Director of Finance & Corporate Services (S151) in supporting the Chief Constable and his team is key to delivering this

Principal Risks

The principal risks facing the Chief Constable are detailed in the Annual Governance Statement included within these Financial Statements.

Outlook for 2025/26 and beyond

The force needs to make significant savings to maintain a balanced budget position in 2025/26 and beyond. It was further noted that the force would need to undertake a comprehensive service review during 2024/25, to identify potential savings along with the likely impact on police service delivery.

The planned service review is now underway, and a high-level savings plan is close to completion. However, discussions with government to secure support continue so that, at the very least, the implementation of the savings plan can be deferred until the new government's intentions for police funding become clearer following its Spending Review in Spring 2025.

In these circumstances the budget continues to be based, in large part, on the existing operating model for Lincolnshire Police with the savings plan incorporated at a high level. The budget will be subject to regular review as the year progresses to ensure that decisions on the implementation of the savings plan are taken as they become necessary

There is a balanced budget for 2025/26 this includes the following funding:

- Increased police grant for Lincolnshire of £78.7m (an increase of 3.7%)
- An allocation of pension top-up grant of £3.4m
- A precept increase of £1.47m (1.46%) based on an increase of an additional £1.95 per annum for a Band D property in line with the precept referendum limit imposed by government.
- The budget includes the use of £10.3m of reserves to balance the budget. The main principles on the setting of the budget are as below:
- The Chief Constable's baseline budget is based on a strength of 1,186 police officers which is the uplift target establishment following the national uplift programme. The grant settlement included £2.9m (PUP grant) contingent on maintaining the uplift target with headcount being assessed at 30th September 2025 and 31st March 2026 meaning that this income would be at risk should the force cease recruitment to implement the reduction in officer numbers required to balance the budget.
- The current establishment of PCSOs is 50 FTE.
- The Police Staff budget has been based on 981 police staff posts for establishment together with some temporary posts for 2025/26. The budget has been fully costed with an average vacancy factor of 5% applied to allow for staff turnover.
- A provision for pay awards arising in 2025/26 has been included at 2.0%.

Provisional service budgets are proposed for 2026/27 to 2028/29. The government has yet to set grant allocations for these years. Estimates have been based on prudent assumptions. There remains the risk that the grant income will be lower than assumed.

There is clarity on the government's future intentions in relation to the limitation of the Council tax increase for 2025/26 only; the assumption contained within the MTFP for the following years is that precept increases will revert back to the 2% cap without the need for a referendum.

On current assumptions, the budget is balanced for the first year of the MTFP with use of reserves, however budget gaps more than £17m each year emerge in 2026/27 and beyond. The nature of reserve funding is 'one-off' so that once reserves have been depleted, no further

non-recurrent support can be provided. These gaps are based on maintaining the police officer numbers at the PUP target of 1,186; without additional funding, this cannot be maintained. A savings plan has been prepared which will result in significant reductions in service levels which will be required to bridge a budget gap of this magnitude, including reductions in police officer numbers. Reductions in police officer numbers have significant implications for Lincolnshire Police because not only would that reduce the operational delivery capability, the loss of PUP grant and the new Neighbourhood Policing grant of £1.7m would also offset a significant proportion of the savings achieved.

The delivery of efficiency savings of c. £1.0m in 2025/26 will be delivered along with implementation of a more extensive savings programme, during 2025/26 to ensure that the full year effect is delivered before the end of 2026/27. A detailed delivery plan is being finalised for implementation in 2025/26, the timing of which will be subject to the outcome of discussions with government on the provision of further financial support.

Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing into the medium term.

Continuing sound financial control will also be key to maintaining financial balance into the medium term as reserves to support the revenue budget will be depleted

Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (code of practice on local authority accounting in the United Kingdom 2024/25) in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

Explanation of Financial Statements

These Financial Statements have been compiled in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting 2024/25.

The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

These Financial Statements for the Chief Constable set out the income and expenditure for the year and its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes.

A glossary of terms can be found at the end of this publication.

All assets, liabilities and reserves continue to be held in the main by the PCC. However, those specifically relating to accounting entries within the Chief Constable entity are included in these Financial Statements. Pension liabilities have been split between the PCC and Chief Constable accounts.

Core Statements

- Comprehensive Income and Expenditure Statement – this 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.
- Movement in Reserves Statement – this shows the movement on the usable and unusable reserves from the start of the financial year to the end of the year. As the Chief Constable does not hold any usable reserves, no movements are shown in respect of usable reserves. Movements are shown in unusable reserves which relate to pension accounting.
- Balance Sheet – this represents the financial position as at the balance sheet date of the assets and liabilities recognised. The net assets are matched by the reserves held. The only reserve balance is the pension reserve.
- Cash Flow Statement – this summarises the movement in cash and cash equivalents arising from transactions during the year. As the Chief Constable does not manage these transactions, the statement shows no movement in overall funds. However, a statement has been prepared in accordance with accounting requirements which shows the movement in the deficit and how this relates to non-cash movements within the PCC Group.

Supplementary Statements

- Annual Governance Statement – the Chief Constable publishes an Annual Governance Statement in accordance with the Delivering Good Governance guidance in order to meet the statutory requirements set out in the Accounts and Audit Regulations 2015.
- Statement of Responsibilities – this explains the responsibilities for the financial affairs and how these responsibilities are carried out.
- Notes to the Accounts – the notes show details supporting each of the main accounting statements, together with additional information to explain the financial transactions. Note 1 contains the Accounting Policies. The purpose of these policies is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.
- Police Officer Pensions, Home Office Memorandum Account – this summarises the transactions relating to retirement benefits paid to police officers and how these costs are financed.
- Expenditure and Funding Analysis – this shows how annual expenditure is used and funded from resources. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement.

Relationship between accounting statements

The different accounting statements are linked in several important ways. The relationship between the Comprehensive Income and Expenditure Statement and the movement in the total reserves is shown in the Movement in Reserves Statement.

The Cash Flow statement reconciles to the balance on the Comprehensive Income and Expenditure Statement for the year and the movement in the Balance Sheet cash and cash equivalents.

The Expenditure and Funding Analysis shows how the expenditure is allocated for decision making purposes between the directorates within the Force.

Miranda Kadwell

Miranda Kadwell FCCA CIPFA (Affil) B.Sc. (Hons)

Head of Finance (Deputy S151) for Chief Constable

Statement of Responsibilities for the Statements of Accounts

This section explains the Chief Constable’s responsibilities for the stewardship of his financial affairs.

<p>Responsibilities of the Chief Constable</p> <p>The Chief Constable is required to:</p> <ul style="list-style-type: none"> • make arrangements for the proper administration of the financial affairs of Lincolnshire Police and to secure that one of its officers has the responsibility for the administration of those affairs, which for the Chief Constable is the Force Chief Finance Officer; • to manage affairs of Lincolnshire Police to secure economic, efficient and effective use of resources and to safeguard its assets; and • approve the Statement of Accounts. 	<p>Responsibilities of the Director of Finance & Corporate Services</p> <p>The Director of Finance & Corporate Services is responsible for the preparation of the Chief Constable’s Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).</p> <p>In preparing this Statement of Accounts, the Director of Finance & Corporate Services has:</p> <ul style="list-style-type: none"> • selected suitable accounting policies and then applied them consistently; • made judgements and estimates that were reasonable and prudent; • complied with the Code; • kept proper accounting records which were up to date; • taken reasonable steps for the prevention and detection of fraud and other irregularities; • assessed the Chief Constable’s ability to continue as a going concern disclosing, as applicable, matters related to going concern; • used the going concern basis of accounting on the assumption that the functions of the Chief Constable will continue in operational existence for the foreseeable future; and • maintained such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.
<p>I approve the audited Statement of Accounts.</p>	<p>I certify that the Financial Statements present a true and fair view of the financial position of the Chief Constable for Lincolnshire as at 31 March 2025 and the Income and Expenditure for the year then ended. These replace the unaudited draft accounts previously issued on 26 June 2025.</p>
<p><i>Paul Gibson</i></p> <p>Chief Constable for Lincolnshire Date: 24 February 2026</p>	<p><i>Miranda Kadwell</i></p> <p>Head of Finance (Deputy S151) Date: 24 February 2026</p>

Independent Auditor's Report to the Chief Constable for Lincolnshire

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of the Chief Constable of Lincolnshire (the 'Chief Constable') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including material accounting policy information, and include the police pension fund financial statements comprising the Fund Account, Net Assets Statement and Police Officer Pension Fund disclosure notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

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

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2025 and of the Chief Constable's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for qualified opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Chief Constable to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 27 February 2025 we issued a disclaimer of opinion on the Chief Constable's financial statements for the year ended 31 March 2024. We were unable to obtain sufficient appropriate audit evidence by the previous backstop date in respect of the following balances reported in the Chief Constable's financial statements for the year ended 31 March 2024:

- the opening balances;
- in-year movements in the net pension liability, and the Chief Constable's share of jointly controlled operations' employee benefit expenditure; and
- the closing net pension liability and reserves.

In addition to this, our audit opinion on the current period's financial statements is modified because we were unable to satisfy ourselves over the membership data used in the actuarial valuations of the Chief Constable's local government pension liability of £140.339 million, noting that the Chief Constable's local government net pension liability is £nil as at 31 March 2025 due to the impact of IFRIC 14. This issue also impacts the Chief Constable's Pension Reserve as at 31 March 2025. Membership data is submitted to the appointed actuary for the triennial valuation of the local government pension scheme liability, and the last triennial valuation was as at 31 March 2022. This membership data has then been rolled forward by the actuary in the 31 March 2023, 2024 and 2025 valuations. As a disclaimer of opinion was issued on the financial statements for the years ended 31 March 2024 we have been unable to conclude that the membership data rolled forward by the actuary and used in the 31 March 2025 valuation was complete and accurate. Our audit opinion on the current period's financial statements is also modified because of the possible effect of this matter, and the matter included above, on the comparability of the current period's figures and the corresponding figures.

This enables the Chief Constable to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ('the Code of Audit Practice') approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard,

and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

In our evaluation of the Director of Finance & Corporate Services' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance & Corporate Services' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Director of Finance & Corporate Services with respect to going concern are described in the relevant sections of this report.

Other information

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

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves over the membership data used in the actuarial valuations of the Chief Constable's local government pension liability of £140.339 million as at 31 March 2025. We have concluded that where the other information refers to the local government pension liabilities or related balances, it may be materially misstated for the same reason.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Chief Constable and the Director of Finance & Corporate Services

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Director of Finance & Corporate Services. The Director of Finance & Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance & Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, the Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2006 and the Police Pensions Regulations 2015.

- We enquired of management and the Chief Constable concerning the Chief Constable's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Chief Constable whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to manual journal entries which altered the Chief Constable's financial performance and potential management bias in determining accounting estimates for the valuation of the pension fund liability.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on journals impacting financial performance;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of the pension fund liability; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of controls. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - The Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter except on 28 January 2025, we identified a significant weakness in the Chief Constable's governance arrangements and arrangements for improving economy, efficiency and effectiveness. This was in relation to the ongoing work needed to place the Force in a position where it consistently provides a good standard of service to fully exit His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' (HMICFRS) Engage monitoring status and remove HMICFRS' causes of concern. We recommended that the Chief Constable should continue to facilitate exit from HMICFRS' enhanced scrutiny arrangements. It should continue to focus on delivering and sustaining the improvements required to address HMICFRS' five causes of concern and appropriately resourcing the oversight and monitoring of the ongoing suite of actions.

Although progress has been made, further work remains to put in place sustained improvement to exit HMICFRS's Engage process, therefore we have concluded a significant weakness remains in place for the year ended 31 March 2025. We have updated this recommendation. On 21 November 2025, we recommended that the Chief Constable maintain its focus on delivering and embedding the improvements needed to address HMICFRS's five Causes of Concern. This should include continuing to implement and oversee actions through established governance structures and ensuring the timely completion of all outstanding actions.

Responsibilities of the Chief Constable

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

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

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

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

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

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

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

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable of Lincolnshire for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Richard J J Anderson

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

26 February 2026

Comprehensive Income and Expenditure Statement 2024/25

The Comprehensive Income and Expenditure Statement (CIES) shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards.

2023/24				2024/25		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
162,265	(11,768)	150,497		160,576	(12,552)	148,024
2,459	(31)	2,428		2,486	(7)	2,479
164,724	(11,799)	152,925		163,062	(12,559)	150,503
2,040	(783)	1,257		1,976	(576)	1,400
49,791	-	49,791	8	52,189	-	52,189
-	(184,211)	(184,211)	9	-	(189,206)	(189,206)
216,555	(196,793)	19,762		217,227	(202,341)	14,886
-	(8,170)	(8,170)	12	-	(146,607)	(146,607)
-	(8,170)	(8,170)		-	(146,607)	(146,607)
216,555	(204,963)	11,592		217,227	(348,948)	(131,721)

There were no acquisitions or discontinued operations in the current year or preceding year.

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 requires that the Comprehensive Income and Expenditure Statement reflects the internal management reporting and decision-making arrangements of the organisation.

The year-to-year variance on actuarial (gains) or losses on the pensions assets and liabilities relates largely to losses arising on changes in financial assumptions due to market conditions.

Adoption of IFRS 16 Leases from 2024/25 had no impact on these Financial Statements.

Movement in Reserves Statement 2024/25

The Movement in Reserves Statement shows the movement in the year on the unusable reserves held by the Chief Constable. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, further details are shown in the Comprehensive Income and Expenditure Statement.

	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Chief Constable Reserves £000
Balance at 31 March 2023	-	-	(1,085,536)	(1,085,536)
Movement in Reserves during 2023/24				
Surplus or (Deficit) on the provision of services	(19,762)	(19,762)	-	(19,762)
Other Comprehensive Income and Expenditure	-	-	8,170	8,170
Total Comprehensive Income and Expenditure	(19,762)	(19,762)	8,170	(11,592)
Adjustments between accounting basis and funding basis under regulations (Note 7)	19,762	19,762	(19,762)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	-	(11,592)	(11,592)
Transfers to/from Earmarked Reserves	-	-	-	-
Increase/(Decrease) in 2023/24	-	-	(11,592)	(11,592)
Roundings	-	-	(1)	(1)
Balance at 31 March 2024 carried forward	-	-	(1,097,129)	(1,097,129)
Movement in Reserves during 2024/25				
Surplus or (Deficit) on the provision of services	(14,886)	(14,886)	-	(14,886)
Other Comprehensive Income and Expenditure	-	-	146,607	146,607
Total Comprehensive Income and Expenditure	(14,886)	(14,886)	146,607	131,721
Adjustments between accounting basis and funding basis under regulations (Note 7)	14,886	14,886	(14,886)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	-	131,721	131,721
Transfers to/from Earmarked Reserves	-	-	-	-
Increase/(Decrease) in 2024/25	-	-	131,721	131,721
Roundings	-	-	-	-
Balance at 31 March 2025 carried forward	-	-	(965,408)	(965,408)

Balance Sheet as at 31 March 2025

The Balance Sheet provides the value of assets and liabilities recognised by the Force for the Chief Constable. The net assets are matched by the reserves held. The only reserve balance for the Chief Constable is the pension reserve.

2023/24 £000	Note		2024/25 £000
2,820	10	Short-Term Debtors	3,366
2,820		Current Assets	3,366
(2,820)	11	Short-Term Creditors	(3,366)
(17)		Short-Term Provisions	(18)
(2,837)		Current Liabilities	(3,384)
(1,097,062)	21	Pension Liabilities	(965,334)
(50)		Long-Term Provisions	(56)
(1,097,112)		Long-Term Liabilities	(965,390)
(1,097,129)		Net Liabilities	(965,408)
(1,097,129)		Total Net Liabilities	(965,408)
(1,097,129)	12	Unusable Reserves	(965,408)
(1,097,129)		Total Reserves	(965,408)

The Police and Crime Commissioner's Scheme of Delegation limits the entries required in the Chief Constables Balance sheet. All entries relating to the Police and Crime Commissioner and Chief Constable Group are shown in the Police and Crime Commissioner's Financial Statements.

Miranda Kadwell

Miranda Kadwell FCCA CIPFA (Affil) B.Sc. (Hons)

Head of Finance (Deputy S151) for Chief Constable

Cash Flow Statement 2024/25

The Cash Flow Statement does not show any cash flows for the year, as all payments were made from the PCC's accounts. Similarly, all income and funding is received into the PCC's accounts.

2023/24 £000	Note		2024/25 £000
19,762		Net Deficit on the Provision of Services	14,886
(19,762)	13	Adjustments to net deficit on the provision of services for non-cash movements	(14,886)
-		Adjustments for items included in the net deficit on the provision of services that are investing and financing activities	-
-		Net Cash (Inflows) or Outflows from Operating Activities	-
-		Investing Activities	-
-		Financing Activities	-
-		Net (Increase) or Decrease in Cash and Cash Equivalents	-
-		Cash and Cash Equivalents at the Beginning of the Reporting Period	-
-		Cash and Cash Equivalents at the End of the Reporting Period	-

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

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

Notes to the Accounts

1. Accounting Policies

1.2. General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which require the statements 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 2024/25, supported by International Financial Reporting Standards.

The accounting convention adopted in the Statement of Accounts is principally historical cost.

All accounting policies that are material to the production of the accounts are described in this section.

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

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

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

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

1.4. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Expenditure accruals are created automatically by the ERP cost management process but where applicable at the yearend manual accruals will be raised as appropriate when the transaction is amount above £5k.

1.5. Non-Current Assets – Property, Plant and Equipment

The Chief Constable does not own any non-current assets. All capital equipment used in operational policing is procured and owned by the PCC, under the agreement that control, in particular usage and responsibility for maintenance, is delegated to the Chief Constable under the PCC Group’s existing scheme of delegation.

1.6. Provisions

Provisions are made where an event has taken place that gives the Chief Constable a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Chief Constable may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Chief Constable becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

1.7. Cost of Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the authority’s arrangements for accountability and financial performance.

1.8. Value Added Tax (VAT)

The Chief Constable does not submit a VAT return. The PCC submits a single VAT return on behalf of the Group. Expenditure in the Comprehensive Income and Expenditure Statement excludes any amounts relating to VAT as it is all remitted to / from HM Revenue and Customs.

1.9. Events After the Reporting Period

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 for which the Statement of Accounts is adjusted to reflect such events;

- Those that are indicative of conditions that arose after the reporting period for which 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.

1.10. Recognition of Revenue (Income and Expenditure)

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the Chief Constable.

1.11. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Chief Constable when there is reasonable assurance that:

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

Amounts recognised as due to the Chief Constable are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of 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 and Expenditure (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

1.12. Reserves

1.12.1. Useable Reserves

The Chief Constable does not maintain usable reserves. Its main source of income in the year is an intra-group transfer from the PCC, which is matched to its net resources expended, with all additional surplus or deficit held by the PCC.

1.12.2. Unusable Reserves

The Chief Constable keeps a pensions reserve to maintain the accounting processes for retirement benefits and the related provisions. These reserves do not represent usable resources for the Chief Constable.

1.13. Employee Benefits

1.13.1. Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid

sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable. A provision is made for the cost of unused leave earned by employees, but not taken before the year-end.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the absence occurs.

1.13.2. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Chief Constable can no longer withdraw the offer of those benefits or when the Chief Constable recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Chief Constable to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.13.3. Post-employment Benefits

Employees of the Chief Constable are members of two separate pension schemes:

- The Police Officer Pension Scheme, for which the scheme manager is the Chief Constable;
- The Local Government Pensions Scheme, administered by West Yorkshire Pension Fund on behalf of Lincolnshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees.

1.13.4. Local Government Pension Scheme

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

- The liabilities of the Lincolnshire pension fund attributable to the Chief Constable 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 earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate of 5.85% (based on the indicative rate of return on high quality AA index corporate bonds);

- The assets of Lincolnshire pension fund attributable to the Chief Constable are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price;
 - Unquoted securities – professional estimate;
 - Unitised securities – current bid price;
 - Property – market value.

1.13.5. Police Officer Pension Scheme

The police officer pension schemes (both the old and new schemes) are accounted for as a defined benefit scheme:

- The liabilities of the Police Officer pension fund attributable to the Chief Constable 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 of 5.8% (based on the indicative rate of return on high quality AA index corporate bonds).

1.13.6. Pension Scheme Policies

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - Current service cost (the increase in liabilities as a result of years of service earned this year) allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - Past service cost (the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years) debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement to a corporate service segment;
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Chief Constable (the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement) this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period (taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments).
- Remeasurements comprising:

- The return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- 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) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- Contributions paid to the Lincolnshire 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 transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

1.13.7. Discretionary Benefits

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

1.14. Police Officer Pension Fund Account Statements

From 1 April 2006 the Home Office changed the methods of financing police pensions. Effectively the Chief Constable has continued to make payments but accounts for them outside of these Chief Constable accounts as a separate set of Police Officer Pension Fund Account Statements. This is reported as a supplementary statement towards the end of this document.

1.15. Joint Operations

Joint operations are joint arrangements in which the PCC and other venturers have joint control of the arrangement. The parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Chief Constable accounts for only its expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint operation and income that it earns from the venture.

2. Critical Judgements in applying Accounting Policies

The preparation of the financial statements requires the Chief Constable 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 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The significant judgements made in the Statement of Accounts are:

- For retirement benefits, the interpretation of CIPFA guidance differs from that of the Code itself. CIPFA guidance expects plan assets to be included in the financial statements; however, the Code says not to include them. The impact of this on the General Reserve is reversed through the Movement in Reserves Statement, with a corresponding entry in the Pensions Reserve. The Chief Constable and the Director of Finance & Corporate Services have concluded that this approach presents a true and fair view of the Chief Constable's financial position, financial performance and cash flow.
- A judgement has been made of the expenditure allocated between the PCC's and Chief Constable's accounts to reflect the 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. The Scheme of Arrangements within the PCC Group and the governance arrangements indicate that the Chief Constable controls police officers and police staff, with the exception of PCC staff.
- A judgement has been made by management following consideration of the CIPFA bulletin 20 – IFRS16 transition. The PCC/CC relationship is one that arises by operation of law, rather than by mutual agreement. It is imposed by legislation and defines rights, duties or obligations between parties. As no contract exists between the PCC and CC there no IFRS16 consideration needed.

3. Assumptions and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the entity 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 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are described below. The main area of fluctuation is the assessment of pensions' assets and liabilities. Hence, these are considered separately.

Item	Uncertainties	Effect if actual results differ from assumptions
Pension liability £965,334k	<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.</p> <p>A firm of consulting actuaries is engaged to provide the Chief Constable with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions have been measured and described in the tables below.</p> <p>The tables give an indication of the impact of changes in the main assumptions but are not an exhaustive list of the variables involved.</p>
Actuarial Assumptions £965,334k	The actuaries have assumed that CPI will be approximately 1% p.a. below RPI on average.	As a market in CPI linked bonds does not exist the actuaries need to make an estimate of the long term gap between RPI and CPI in order to arrive at a CPI assumption for the accounts.

The sensitivities regarding the Police Pension Scheme liabilities are set out below.

Change in financial and demographic assumptions	Approximate percentage increase to Employer Liability	Approximate monetary amount (£m)
0.5% decrease in the Real Discount Rate	10%	156.17
1 year increase in member life expectancy	3%	47.329
0.5% in the Salary Increase Rate	<1%	10.124
0.5% increase in the Pensions Increase Rate (CPI)	8%	125.641

The sensitivities regarding the Police Pension Scheme current service costs are set out below.

Change in financial and demographic assumptions	Approximate percentage increase to Projected Current Service Cost	Approximate monetary amount (£m)
0.5% decrease in the Real Discount Rate	22%	6.381
1 year increase in member life expectancy	3%	0.855
0.5% in the Salary Increase Rate	<1%	0
0.5% increase in the Pensions Increase Rate (CPI)	9%	2.556

The sensitivities regarding the principal assumptions used to measure the liabilities in the Local Government Pension Scheme are set out below.

	£000	£000	£000	£000	£000
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	130,003	138,168	140,339	142,566	152,061
Projected Service Cost	4,385	5,002	5,168	5,339	6,078
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	141,169	140,503	140,339	140,178	139,544
Projected Service Cost	5,168	5,168	5,168	5,168	5,168
Adjustment to pension increase and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	151,522	142,464	140,339	138,268	130,476
Projected Service Cost	6,116	5,346	5,168	4,995	4,350
Adjustment to life expectancy assumptions		+ 1 year	None	- 1 year	
Present value of total obligation		145,501	140,339	135,756	
Projected Service Cost		5,354	5,168	4,986	

Pension Liability and Reserve Disclosures

Actuarial reports are commissioned on an annual basis specific to the Chief Constable accounts in respect of LGPS staff pension figures (assets, liabilities, revenue movements and related reserve) in line with IAS19, the standard governing retirement costs.

4. Going Concern

4.1. Going Concern – Underlying Principle

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

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

The latest police settlement covered only one year. The settlement confirmed that the total core grant for Lincolnshire Police was increased by £2.819m to £78.673m. The Minister also confirmed the precept referendum limit to allow an increase of up to an additional £14 per annum for a Band D property for 2025/26 only, without the need to call for a local referendum.

4.2. Going Concern – Current & Forecast Financial Position

The 2025/26 revenue budget was set in February 2025 as a balanced budget of £190.255m for the Group with a budget allocation of £174.930m to the Chief Constable.

A capital and investment programme budget was also set in February 2024, providing a further £16.145m in 2025/26 to be financed by a combination of government grant, capital receipts, borrowing and revenue contributions. The capital programme supports investment in the estate, fleet replacement and equipment, Information Technology, business led IT Projects and operational equipment. This is essential to ensure fit-for-purpose services, to deliver savings and generate income to balance the budgets over the medium-term financial plan period to 2028/29.

4.3. Going Concern – Cash Position

All cash is held by the PCC on behalf of the Group. The PCC for Lincolnshire had a cash equivalent balance of £16.7m at the end of March 2025, compared to £10.3m at 31 March 2024 year-end. The PCC deems the uncertainty on income cash flows low as the majority of its income is receivable from the Home Office and local billing authorities. The PCC and Chief Constable continue to take action to maximise and maintain sufficient cash for its activities throughout the medium term and has a borrowing strategy in place to borrow against capital investment as plans are approved.

4.4. Going Concern – Conclusion

These accounts have been prepared on a going concern basis, with planned outturn and targets up to 2025/26 within the level of general useable reserves and a balanced budget in place for the year.

5. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by police bodies in comparison with how those resources are consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how the expenditure is allocated for decision making purposes between the Chief Constable and Joint Services. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement (CIES). The Expenditure and Funding Analysis provides a link from the figures reported in the CIES to the General Fund Balance and Usable Revenue Reserves.

The adjustments column represents adjustments between accounting basis and funding basis. For the Chief Constable this includes the Net Change for Pensions Adjustments – for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

2023/24				2024/25			
Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the CIES	Note	Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the CIES	
£000	£000	£000		£000	£000	£000	
180,526	(30,029)	150,497		185,327	(37,303)	148,024	Chief Constable
2,428	-	2,428		2,479	-	2,479	Joint Services
182,954	(30,029)	152,925		187,806	(37,303)	150,503	Cost of Services
1,257	-	1,257		1,400	-	1,400	Other Operating Expenditure
-	49,791	49,791	8	-	52,189	52,189	Financing and Investment Income and Expenditure
(184,211)	-	(184,211)	9	(189,206)	-	(189,206)	Income - Intra Group Financing
-	19,762	19,762		-	14,886	14,886	(Surplus) or Deficit on the Provision of Services
-	-	-		-	-	-	Closing General Fund as at 31 March

Expenditure and Funding Analysis Adjustments

2023/24		Note	2024/25	
Net change for the Pensions Adjustments £000	Total Adjustments £000		Net change for the Pensions Adjustments £000	Total Adjustments £000
(30,029)	(30,029)		(37,303)	(37,303)
(30,029)	(30,029)		(37,303)	(37,303)
49,791	49,791	8	52,189	52,189
19,762	19,762		14,886	14,886

6. Expenditure Analysed by Nature

2023/24 £000	Expenditure and Income	2024/25 £000
	Expenditure	
62,829	Police Pay and Allowances	68,078
45,226	Police Staff Pay and Allowances	50,717
3,612	Other Employee Expenses	2,409
2,199	Police Pensions	3,034
20,599	Pension costs inc IAS19	8,065
5,146	Premises	5,274
2,103	Transport	2,144
19,778	Supplies and Services	21,874
2,557	Third Party Payments	1,423
675	Revaluation Movement	43
1,213	Precepts and levies	1,370
827	Seconded Officers (net)	606
49,791	Interest and investment expenditure	52,189
216,555	Total expenditure	217,226
	Income	
(10,813)	Fees, charges and other service income	(11,594)
(986)	Other Grant Income	(966)
(783)	Seconded Officers	(576)
(184,211)	Intra Group financing	(189,206)
(196,793)	Total income	(202,342)
	Rounding	2
19,762	(Surplus) or Deficit on the Provision of Services	14,886

7. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by both 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.

2023/24	Usable Reserves	
	General Fund Balance £000	Movement in Usable Reserves £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:		
Pensions costs (transferred to (or from) the Pensions Reserve)	19,762	(19,762)
Total Adjustments	19,762	(19,762)

2024/25	Usable Reserves	
	General Fund Balance £000	Movement in Usable Reserves £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:		
Pensions costs (transferred to (or from) the Pensions Reserve)	14,886	(14,886)
Total Adjustments	14,886	(14,886)

8. Financing and Investment Income and Expenditure

2023/24				2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
49,791	-	49,791	Pensions Interest Cost and Expected Return on Pensions Assets	52,189	-	52,189
49,791	-	49,791		52,189	-	52,189

9. Intra-Group Financing

An annual intra-group transfer of funds is made by the PCC to the Chief Constable. This intra-group transfer will equal the income requirement for the Chief Constable.

10. Debtors

2023/24 £000		2024/25 £000
	Amounts falling due within one year:	
(2,820)	PCC guarantee for accumulated absences liability	(3,366)
(2,820)	Total Debtors falling due within one year	(3,366)

11. Short-Term Creditors

2023/24 £000		2024/25 £000
(2,820)	Accumulated absences	(3,366)
(2,820)	Total Short-Term Creditors	(3,366)

12. Pensions Reserve

Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Chief Constable accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service. The liability recognises inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require a benefit earned to be financed, as the Chief Constable makes employer's contributions to pension funds, and eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will have been set aside by the time the benefits come to be paid.

In accordance with accounting practice (IFRIC14), an asset ceiling calculation has been undertaken which shows that the net asset cannot be realised. As a result, the net pension asset in the LGPS scheme is reduced by £22,259 k leaving a residual liability of 34k, relating to unfunded obligations. This is explained further in Note 24 to the accounts.

2023/24 £000		2024/25 £000
(1,085,536)	Balance at 1 April	(1,097,129)
45,578	Actuarial gains or losses on pensions assets and liabilities	168,866
(37,408)	Asset ceiling adjustment	(22,259)
8,170	Total Actuarial gains or losses on pensions assets and liabilities	146,607
(68,375)	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	(68,678)
44,200	Employers contributions payable to scheme	45,841
-	- Contributions in respect of unfunded benefits	-
-	- Employers contributions payable to schemes - Cash Top-up	7,958
11	Other unfunded termination benefits	(7)
4,402	PCC to CC reclassification of LGPS pensions now separately estimated by actuary	-
(1)	Rounding	-
(1,097,129)	Balance at 31 March	(965,408)

13. Cash Flow – Adjustments on Provision of Services for Non Cash Movements

2023/24 £000		2024/25 £000
318	Increase/(Decrease) in Creditors	545
(318)	(Increase)/Decrease in Debtors	(545)
(19,773)	Pension Liability	(14,879)
11	Contributions to Provisions	(7)
(19,762)	Non Cash Movements	(14,886)

14. Joint Operations

14.1. Sexual Assault Referral Centre (SARC)

The SARC is a one stop location where victims of sexual assault can receive medical care and counselling whilst at the same time having the opportunity to assist the police investigation into alleged offences. It is a joint operation between Lincolnshire Police and Lincolnshire Partnership NHS Foundation Trust, with Lincolnshire Police acting as the lead body. The financial statements include the PCC Group's share of non-current assets, primarily the purchase and refurbishment costs associated with Spring Lodge (the PCC for Lincolnshire's share is 65%). The financial statements also include the PCC's share of income £20k and revenue expenditure £91k compared to income of £19k and revenue expenditure of £83k in 2023/24 (the PCC for Lincolnshire's share is 50%).

14.2. Regional Collaboration

The East Midland Regional Collaboration consists of:

- East Midlands Special Operations Unit (EMSOU) including Regional Asset Recovery Team, Regional Review Unit, Collaboration Team, Protected Persons Unit and Technical Support Unit. The lead body is Leicestershire;
- EMSOU Major Crime. Lead body Leicestershire;
- Forensics. Lead body Derbyshire;
- East Midlands Legal Services. Lead body Derbyshire.

As all assets, liabilities and reserves are held by the PCC; only the operational policing costs have been shown in the Chief Constable's Comprehensive Income and Expenditure Statement. The PCC's share of assets and liabilities is included in the PCC Group accounts. The transactions relating to Lincolnshire's share of a five Force collaboration is set at 13.1%. These allocations from regional forces have been included in the Comprehensive Income and Expenditure Statement.

Lincolnshire's Share of Regional Comprehensive Income and Expenditure Statement:

2022/23 £000		2024/25 £000
1,890	Police Pay and Allow ances	2,084
2,838	Police Staff Pay and Allow ances	3,364
87	Other Employee Expenses	53
110	Premises	74
126	Transport	120
508	Supplies and Services	602
679	Agency and Contracted Services	724
157	Depreciation	164
(153)	(Surplus) or Deficit on revaluation of non current assets (not covered by accumulated revaluation gains)	-
6,242	Gross Operating Expenditure	7,185
(141)	Other Income	(278)
(3)	(Gains) or Losses on Disposal of Non Current Assets	1
6,098	Amount to be met from Partners	6,908
	Financed by:	
(5,462)	Contributions from Partners	(5,953)
(628)	External Grants	(963)
(16)	Capital Grants and Contributions	-
(8)	(Surplus) or Deficit on the Provision of Services	(8)
(8)	Total Comprehensive Income and Expenditure	(8)

15. Funded Partnerships Outside Scope of Collaborative Arrangements

Lincolnshire Road Safety Partnership (LRSP) was formed in order to reduce the number of people killed or injured on Lincolnshire's roads. LRSP is a unique multi-agency partnership that brings together road safety professionals from the Police, Lincolnshire County Council, Fire and Rescue, the NHS, the Highways Agency and the Probation Service.

Income received in the year was £1.544m which increased from the previous year figure of £1.933m. The expenditure in year was £0.397m compared with £0.867m in 2023/24.

16. Audit Committee Allowances and Expenses

The amount paid to members of the Joint Independent Audit Committee equated to £6,499 for the year compared to £8,379 in 2023/24. £609 of the amount paid to members is charged to the PCC based on the percentage split used for allocating finance joint services costs (9.37%).

17. Remuneration of Senior Officers

Remuneration includes all sums paid to or receivable by an employee. Pension contributions payable by the employee are excluded. The Accounting Code of Practice requires detailed disclosure for specific senior officers. These are disclosed in the tables below.

2023/24	Notes	Salaries, fees or allowances £	Car benefits receivable in the role £	Remuneration excluding pension contributions 2023/24 £	Employer's pension contribution £	Remuneration including pension contributions 2023/24 £
Police Officers						
Chris Haward (Chief Constable)	Retired Feb 2024	153,634	6,338	159,973	-	159,973
Deputy Chief Constable		136,542	13,000	149,542	41,281	190,823
Assistant Chief Constable		125,859	14,203	140,063	30,766	170,829
Assistant Chief Constable	Started Sept 2023	106,844	4,175	111,020	32,796	143,815
Temporary Assistant Chief Constable	Ceased Oct 2023	108,334	4,033	112,367	30,766	143,133
Chief Finance Officers of the Chief Constable						
Director of Finance & Corporate Services (S151)		96,904	5,605	102,509	23,644	126,153
Director of People Services		102,020	5,605	107,625	24,893	132,518
Chief Digital & Data Officer		113,243	5,605	118,848	27,226	146,074

2024/25 details	Notes	Salaries, fees or allowances £	Termination Payments £	Car benefits receivable in the role £	Remuneration excluding pension contributions 2024/25 £	Employer's pension contribution £	Remuneration including pension contributions 2024/25 £
Police Officers							
Paul Gibson (Chief Constable)	started April 2024	183,047		953	184,000	65,792	249,793
Deputy Chief Constable		144,516		10,233	154,750	49,823	204,572
Assistant Chief Constable		133,191		5,605	138,796	51,556	190,352
Assistant Chief Constable		123,111		5,605	128,716	43,473	172,189
Chief Finance Officers of the Chief Constable							
Director of Finance & Corporate Services (S151)		95,316		5,605	100,921	23,257	124,178
Director of People Services		107,787		5,605	113,392	26,300	139,692
Chief Digital & Data Officer	Ended June 2024	23,579	94,723	1,152	119,455	5,753	125,208

17.1. Remuneration Banding

The table below highlights the number of employees within defined remuneration ranges. This excludes the senior employees who are shown in more detail in the tables above.

Remuneration Range	2023/24 Number of employees	2024/25 Number of employees
£65,000 to £69,999	2	1
£70,000 to £74,999	2	2
£75,000 to £79,999	2	1
£80,000 to £84,999	1	2
£85,000 to £89,999	1	-
£95,000 to £99,999	-	1
£100,000 to £104,999	3	1
£110,000 to £114,999	-	2

18. Termination Benefits

Cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number by cost band		Total cost in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £000	2024/25 £000
£0,000 to £20,000	15	-	-	-	15	-	155	-
£20,001 to £40,000	3	-	-	-	3	-	81	-
£40,001 to £60,000	3	-	-	-	3	-	154	-
£60,001 to £80,000	2	-	-	-	2	-	131	-
£80,001 to £100,000	4	-	-	1	4	1	350	95
over £150,000	-	-	-	-	-	-	-	-
Total	27	-	-	1	27	1	871	95

19. Audit Costs

	2023/24 £000	2024/25 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year *	48	54
Fees payable with regard to external audit services carried out by the appointed auditor for prior years **	24	23
Total	72	77

* Grant Thornton ** Ernst Young

20. Related Party Transactions

The entity is required to disclose details of any 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 him. Disclosure of these transactions allows readers to assess the extent to which the entity might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with it.

20.1. UK Central Government

The UK central government has effective control over the general operations of the PCC. It is responsible for establishing the statutory framework within which the PCC operates. It provides a large proportion of the PCC's funding in the form of grants and prescribes the terms of many of the transactions that the PCC has with other parties.

20.2. Chief Constable for Lincolnshire

Within the Group, the Chief Constable is accountable to the Police and Crime Commissioner for Lincolnshire. The PCC provides all funding to the Chief Constable for the discharge of his duties. The total funding is shown in the Chief Constable's Comprehensive Income and Expenditure Statement.

20.3. Officers

The total remuneration to senior staff in 2024/25 is shown in Note 20. All senior officers employed by the Chief Constable at the 31 March 2025 have completed a Related Party Transaction Declaration for the financial year in respect to themselves and close family members to identify any business dealings with the Group that fall into this category. No further disclosures are required.

20.4. Other Public Bodies

Joint Operations and Funded Partnerships are disclosed in Notes 17 and 18.

21. Retirement Benefits

21.1. Participation in pension schemes

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

The Chief Constable of Lincolnshire participates in two pensions schemes:

- The Local Government Pension Scheme (LGPS) for police staff is administered by West Yorkshire Pension Fund on behalf of Lincolnshire County Council. This is a funded defined benefit scheme, meaning that the Chief Constable of Lincolnshire and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Due to changes under the Public Pension Services Act 2013, from the 1 April 2014 scheme members now accrue pension entitlements based on their career-average rather than their final salary.

- The Police Pension Scheme for police officers is an unfunded defined benefit scheme. This means that there are no investment assets built up to meet the pensions' liabilities and cash has to be generated to meet actual pensions' payments as they eventually fall due. From the 1 April 2015 The Police Pension Scheme 2015 (CARE) scheme was introduced (under the Public Pension Services Act 2013), and members who are not covered by protection or the transitional arrangements in the previous schemes now accrue pension entitlements based on their career-average rather than their final salary.

Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year are less than amounts payable, the PCC must transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, this cost is met by a central government Police Pensions Payments grant.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

21.2. Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no scheme assets built up to meet these pension liabilities.

21.3. Transactions Relating to Retirement Benefits

In order to comply with IAS 19, employer's pension contributions have been replaced with current service costs as estimated by the independent actuaries. The Chief Constable of Lincolnshire recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the PCC is required to make against council tax for the Chief Constable of Lincolnshire is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The reversal of the IAS 19 transactions ensures that there is no effect on the amounts to be met from government grant and the local taxpayers.

21.4. Transactions Relating to Retirement Benefits

	Local Government Pension Scheme		Police Pension Scheme		Comprehensive Income and Expenditure Account	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
	£000	£000	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement						
Cost of Services:						
Current service cost	(5,049)	(6,314)	(12,100)	(10,000)	(17,149)	(16,314)
Past service costs	(598)	(2)	(700)	-	(1,298)	(2)
Effect of settlements	-	-	-	-	-	-
	(5,647)	(6,316)	(12,800)	(10,000)	(18,447)	(16,316)
Other Operating Expenditure:						
Home Office Grant	-	-	(29,104)	(25,724)	(29,104)	(25,724)
Financing and Investment Income and Expenditure:						
Net interest expense	2,009	211	(51,800)	(52,400)	(49,791)	(52,189)
Administrative Expenses	(137)	(173)	-	-	(137)	(173)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(3,775)	(6,278)	(93,704)	(88,124)	(97,479)	(94,402)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement						
Return on scheme assets (excluding the amount included in the net interest expense)	7,793	(2,049)	-	-	7,793	(2,049)
Actuarial gains and losses arising on changes in demographic assumptions	2,068	388	5,700	13,700	7,768	14,088
Actuarial gains and losses arising on changes in financial assumptions	3,285	21,226	57,200	152,200	60,485	173,426
Experience gain / (loss) on defined benefit obligation	(1,268)	301	-	-	(1,268)	301
Other experience	-	0	-	(24,300)	-	(24,300)
Changes in the effect of asset ceiling	(37,408)	(22,259)	-	-	(37,408)	(22,259)
Other actuarial Gains / (Losses)	-	-	100	7,400	100	7,400
Subtotal Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(25,530)	(2,393)	63,000	149,000	37,470	146,607
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(29,305)	(8,671)	(30,704)	60,876	(60,009)	52,205
Movement in Reserves Statement						
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	3,775	6,278	64,600	62,400	68,375	68,678
Actual Amount charged against the General Fund Balance for pensions in the year:						
Employers contributions payable to scheme	(8,300)	(8,699)	(41,491)	(53,058)	(49,791)	(61,757)
Contributions in respect of unfunded benefits	-	-	-	-	-	-
Employers contributions payable to schemes - Cash Top-up	-	-	5,591	7,958	5,591	7,958
Retirement benefits payable to pensioners	-	-	-	-	-	-
	-	-	-	-	-	-
Expenditure Statement to the General Fund	(4,525)	(2,421)	28,700	17,300	24,175	14,879

21.5. Pensions Assets and Liabilities in relation to Retirement Benefits

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

Funded liabilities	2023/24	2024/25
LGPS	£000	£000
Present value of the defined benefit obligation	(151,564)	(140,339)
Fair value of scheme assets	188,972	201,824
	(37,408)	61,485
Other movements in the liability (asset)	(62)	
Impact of asset ceiling		(59,667)
Impact of asset ceiling interest	(37,408)	(1,852)
Net liability arising from the defined benefit obligation	(62)	(34)

Discretionary Benefits	2023/24	2024/25
Police Pension Scheme	Group	Group
	£000	£000
Present value of the defined benefit obligation	(1,051,300)	(925,700)
Fair value of scheme assets	-	-
Sub-total	(1,051,300)	(925,700)
Other movements in the liability (asset)	(45,700)	(39,600)
Net liability arising from the defined benefit obligation	(1,097,000)	(965,300)

21.6. Reconciliation of the movements in the Fair Value of the scheme assets

LGPS	2023/24	2024/25
	£000	£000
Opening fair value of scheme assets	120,977	188,972
Interest income	9,118	9,491
Administrative Expenses	(137)	(173)
Remeasurement gain / (loss):		
The return on scheme assets, excluding the amount included in the net interest expense	7,793	(2,049)
Other actuarial Gains / (Losses)	-	-
Contributions from employer	8,300	8,699
Contributions in respect of unfunded benefits	-	-
Contributions from employees in the scheme	2,056	2,371
Benefits paid	-	-
Estimated benefits paid net of transfers in Adjustment or opening balances due to new IAS split	(4,257)	(5,487)
	45,122	
31 March	188,972	201,824

21.7. Reconciliation of Present Value of the scheme liabilities (defined benefit obligation)

Liabilities	2023/24	2024/25
LGPS	£000	£000
Opening balance at 1 April	(104,438)	(151,626)
Current service cost	(5,049)	(6,314)
Interest cost	(7,109)	(7,428)
Contributions from scheme participants	(2,056)	(2,371)
Re-measurement (gain) / loss:		
Actuarial (gains) / losses arising from changes in demographic assumptions	2,068	388
Actuarial (gains) / losses arising from changes in financial assumptions	3,285	21,226
Experience Loss/(gain) on defined benefit obligation	(1,268)	301
Past service cost	(598)	(2)
Benefits paid	4,231	5,459
Unfunded Pension Payments	26	-
Adjustment of opening balances due to new IAS split	(40,718)	-
31 March	(151,626)	(140,339)

Unfunded liabilities	2023/24	2024/25
Police Pension Scheme	£000	£000
Opening balance at 1 April	(1,102,000)	(1,097,000)
Current service cost	(12,100)	(10,000)
Interest cost	(51,800)	(52,400)
Contributions from scheme participants	(6,300)	(6,600)
Re-measurement (gain) / loss:	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	5,700	13,700
Actuarial (gains) / losses arising from changes in financial assumptions	57,200	152,200
Other	(29,200)	(16,900)
Past service cost	(700)	-
Losses / (gains) on curtailment	-	-
Liabilities assumed on entity combinations	-	-
Benefits paid	42,200	51,700
Liabilities extinguished on settlements (w here relevant)		
31 March	(1,097,000)	(965,300)

21.8. Pension scheme assets

The Police Pension Schemes are unfunded in nature and hence have no scheme assets. The Chief Constable of Lincolnshire's Local Government Pension Scheme assets consist of the following categories:

	2023/24		2024/25	
	Bid Value %	Bid Value % Not quoted in active market	Bid Value %	Bid Value % Not quoted in active market
Corporate Bonds				
Overseas	12	-	13	-
Equities				
UK	8	-	8	-
Overseas	42	-	40	-
Property				
All	5	2	5	2
Others				
Hedge fund	-	6	-	6
Private Equity	-	7	-	7
Infrastructure	-	4	-	5
Bonds	10	-	10	-
Private Debt	-	1	-	2
Cash/Temporary Investments	3	-	3	-
Net Assets	80	20	79	21

21.9. Basis for estimating assets and liabilities

The Police Pension Scheme has been assessed by Hymans Robertson (an independent firm of actuaries). The Local Government Pension Scheme has been assessed by Barnett Waddingham (an independent firm of actuaries). The value of the liabilities is an estimate of the pensions that will be payable in future years dependent on assumptions about uncertain variables.

For the Local Government Pension Scheme, liabilities have been assessed on an actuarial basis using the projected unit method. Estimates are based on the latest full actuarial valuation of the scheme as at 31 March 2022.

For the Police Pension Scheme liabilities have been assessed on an actuarial basis using the projected unit method. The last valuation report to assess scheme obligations was carried out as at 31 March 2024.

	Local Government Pension Scheme		Police Pension Scheme	
	2023/24	2024/25	2023/24	2024/25
	Longevity at 65		Longevity at 60	
	Years	Years	Years	Years
Mortality assumptions				
Longevity for current pensioners:				
Men	19.5	19.5	26.5	26.5
Women	22.7	22.7	29.4	29.4
Longevity for future pensioners:				
Men	20.8	20.8	27.9	27.9
Women	24.1	24.1	30.7	30.7
Financial assumptions	%	%	%	%
Market derived RPI	3.1	3.1	3.1	2.8
Rate of increase in salaries	3.9	3.9	3.1	3.1
Rate of increase in pensions	2.9	2.9	2.8	2.8
Rate for discounting scheme liabilities	5.0	5.0	4.9	4.9

The Local Government Pension Scheme longevity assumptions are as per the latest full valuation as at 31 March 2022, the Police Pension Scheme longevity assumptions are remodelled annually in the actuarial review.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

21.10. Present Value of Liabilities

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2022/23 £000	2024/25 £000
Present value of liabilities						
Local government pension scheme	(118,478)	(159,439)	(154,649)	(104,438)	(151,626)	(140,305)
Police pension scheme	(1,371,300)	(1,670,100)	(1,581,100)	(1,102,000)	(1,097,000)	(965,300)
Fair value of assets in the local government pension scheme	87,426	109,975	120,710	120,977	188,972	201,824
Asset Ceiling Adjustment					(37,408)	(61,519)
Present Value of Unfunded Liabilities						(34)
Surplus / (deficit) in the scheme	(1,402,352)	(1,719,564)	(1,615,040)	(1,085,461)	(1,097,062)	(965,334)
Local government pension scheme	(31,052)	(49,464)	(33,940)	16,539	37,346	61,519
Police pension scheme	(1,371,300)	(1,670,100)	(1,581,100)	(1,102,000)	(1,097,000)	(965,300)
Asset Ceiling Adjustment					(37,408)	(61,519)
Present Value of Unfunded Liabilities						(34)
Total surplus / (deficit) in the scheme	(1,402,352)	(1,719,564)	(1,615,040)	(1,085,461)	(1,097,062)	(965,334)

21.11. Impact on the Chief Constable of Lincolnshire's cash flows

The liabilities show the underlying commitments for retirement benefits that the Chief Constable of Lincolnshire must pay in the long run. The total liability has a substantial impact on the net worth of the PCC Group as recorded in the Balance Sheet, resulting in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of the Chief Constable of Lincolnshire remains healthy.

The objectives of the local government scheme are to keep employers' contributions at as constant a rate as possible. The Chief Constable of Lincolnshire has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. At the latest triennial valuation of 2022 it was not deemed necessary to make any additional contributions to the scheme and a single primary rate of 24.4% will be in place for the next 3 years up to and including 2025/26.

The minimum employer contributions payable over the next year for the Chief Constable of Lincolnshire is 24.4%. Estimated employer's contribution for 2025/26 amount to £9.469m on the Local Government Pension Scheme.

Funding levels are monitored through the triennial valuation process and the last triennial valuation was as at 31 March 2022.

Maturity profile of the defined benefit obligation:

	LGPS			Police Pension Scheme		
	Liability Split as at 31 March 2025 £000	Liability Split as at 31 March 2025 %	Weighted Average Duration at Previous Formal Valuation	Liability Split as at 31 March 2025 £000	Liability Split as at 31 March 2025 %	Weighted Average Duration at Previous Formal Valuation
Active Members	70,956	49.3%	25.0	207,000	22.4%	27.2
Deferred Members	42,394	25.8%	26.9	34,900	3.8%	23.3
Pensioner Members	55,971	24.8%	12.2	683,800	73.9%	12.0
Total	169,321	100.0%	21.4	925,700	100.0%	17.8
Contingent Injuries				10,300	26.0%	27.1
Injury pension liabilities				29,300	74.0%	13.8
Total	-	-	-	39,600	100.0%	20.1

22. Accounting Standards Issued but Not Yet Adopted

The following Accounting Standards may be relevant for additional disclosures that will be required in the financial statements in respect of accounting changes in the Code:

- IRS 17 Insurance Contracts issued in May 2017.
- IAS21 the Effects of Changes in Foreign Exchange Rate issued in August 2023.

It is not expected that any of these amendments will have a material impact on the information provided in the financial statements for any of the Lincolnshire Police group accounts. The revised standards will come into effect from the 25/26 financial year.

23. Non-adjustment event after reporting period

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.

There are currently no non-adjusting events to report after the end of the financial year.

Police Officer Pension Fund Account Statements as at 31 March 2025

This statement shows the contributions and benefits payable for the year.

The Chief Constable of Lincolnshire 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 officer pension schemes and does not form part of the Chief Constable or the PCC Group's statements of accounts.

2023/24 £000	Fund account	2024/25 £000
	Contributions Receivable	
	From Employer:	
14,538	Normal	17,368
600	Early Retirements	891
	From Members:	
6,273	Contributions	6,839
101	Individual Transfers in from Other Schemes	31
21,512		25,130
	Benefits Payable	
41,664	Pensions	44,530
8,625	Commutations	6,002
-	Lump Sum Death Benefits	148
	Payments To and On Account of Leavers	
28	Refunds of Contributions	139
284	Scheme Pays	35
15	Lifetime Allowance (25%)	-
50,616		50,854
29,104	Sub-total for the year before transfer from the PCC Group for Lincolnshire of amount equal to the deficit	25,724
(29,104)	Additional funding payable by the PCC Group for Lincolnshire to meet deficit for the year	(25,724)
-	Net Amount payable/(receivable) by the PCC Group for Lincolnshire	-

*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.

2023/24 £000	Police Pension Fund Assets Statement as at 31 March	2024/25 £000
	Current Assets	
-	Contributions due from the PCC	-
-	Recoverable overpayments of pensions	-
	Current Liabilities	
-	Unpaid pension benefits	-
-	Surplus for the year owing to the PCC	-
-	Total	-

Police Officer Pension Fund Disclosure Notes

Accounting Policies

1. The accounting policies followed are in accordance with Note 1 of the PCC & Group Annual Statements of Accounts.

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 includes 'any other statements relating to each and every other fund in relation to which the body is required by any statutory provision to keep a separate account'. They also meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 based on International Financial Reporting Standards IAS19. The Accounts have been prepared on an accruals basis.

Explanatory Notes to the Police Pension Fund Account Statements

1. 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 for these schemes. The Pension Fund is managed by the Chief Constable, as Scheme Manager, in accordance with the Police Pension Fund Regulations 2007 (SI 2007 No 1932).

It covers both the old Police Pension Scheme (1987), new Police Pension Scheme (2006) and the Career Average Revalued Earnings (CARE) Police Officer occupational pension scheme (2015) but has no impact on the benefit structure of either scheme.

The Public Service Pensions and Judicial Offices Act 2022 closed the legacy schemes (1987 and 2006 schemes) and moved all officers into the 2015 CARE scheme from 1st April 2022. Injury and ill health awards continue to be paid from the PCC's operating account.

Employee's and employer's pension contribution levels are based on percentages of pensionable pay, they are set nationally by the Home Office and are subject to quadrennial revaluation by the Government Actuary's Department. The Police Pension Fund scheme has no assets to cover its liabilities, therefore the total payments to pensioners in any year are paid for by current officer and employer contributions.

The employer contribution rate is 35% of pensionable pay. In the 2015 CARE scheme employees contribute either 12.44%, 13.44% or 13.78% of pensionable pay dependent on their salary earned.

2. The fund is administered by XPS on behalf of Lincolnshire Police. Salary deductions are made from members of the scheme, and payments are made to retiring officers and pensioners in accordance with Police Pension Fund Regulations 2007. Returns are made to the Home Office for the projected and actual costs in each year, and funds are transferred accordingly.
3. There are no investment assets; the fund is balanced to nil each year. In the event that the Pension Fund Account is in deficit, the Home Office reimburse the fund via the PCC for Lincolnshire by way of a Pension Grant. Payments are made monthly to pensioners, with the pension fund entries being kept separate, outside of the PCC's general ledger accounts. Details of the PCC's long-term pension obligations can be found in the main PCC/Group Annual Statements of Accounts at Note 43.
4. The Police Officer Pension Fund Account Statements do not take account of liabilities to pay pensions and benefits after the period end. This is reported separately within the

Actuary's pension valuation statement annually and any liabilities to pay future pension benefits are disclosed separately in accordance with the IAS19 'Employee Benefits'. Details of the Chief Constable's long-term pension obligations can be found in the Group statements at Note 43.

5. The McCloud judgement continues to impact on the Police Officer Pension schemes and the full impact of the McCloud/Sargeant judgement on both the police officer and police staff schemes is still unknown. When changes were made to public sector schemes in April 2015, they introduced protections for older members to ensure that the changes would not negatively impact their pension. In December 2018, the Court of Appeal ruled that the transitional protection arrangements were discriminatory on the basis of age because younger members did not receive the protections allowed to older members.
6. The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members. The main elements of the Act are:
 - Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
 - Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the "remedy period" of April 2015 to 31 March 2022.
 - From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
 - Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.
7. The impact of an increase in annual pension payments arising from McCloud is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Glossary of Terms

Term	Definition
Accrual	An adjustment to ensure that expenditure and income are reflected in the appropriate accounting period.
Actuary/Actuarial	A person professionally qualified to advise on pension matters and undertakes calculations on pension costs, allowing for risk and demographic factors.
Amortisation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Intangible Assets.
ANPR	Automatic Number Plate Recognition system
Balances	The total revenue Reserves required to provide a working balance during the financial year, for example in periods when expenditure exceeds income.
Capital Adjustment Account	A reserve primarily designed to represent timing differences between the amount of the historical cost of Property Plant and Equipment that has been consumed and the amount that has been financed in accordance with statutory requirements.
Capital Expenditure	Expenditure on assets, which have a long-term value. Includes the purchase of land, purchase or construction of new buildings and vehicles.
Capital Grants	Grants received towards capital outlay on a particular service or project.
Capital Receipts	Proceeds received from the sale of Property Plant and Equipment (assets which have value beyond one financial year).
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public service.
Collection Fund	A fund administered by each billing authority. Council Tax monies are paid into the fund. These are distributed to precepting and billing authorities in proportion to the Council Tax set.
CoPaCC	Centre on Police Practices and Community.
Creditors	Amounts owed by the PCC for work done, goods received or services rendered but for which payment has not been made at 31 March.
Debtors	Sums of money due to the PCC but unpaid at 31 March.
Depreciation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.

Direct Revenue Financing	This refers to financing of capital expenditure directly from revenue rather than loans or other sources.
Earmarked Reserves	The elements of total PCC's Reserves, which are retained for specific purposes.
EMSOU	East Midland Special Operations Unit.
EMCJS	East Midlands Criminal Justice Service.
Finance lease	Where the conditions of the lease amount to recognising all the costs of an asset but legal title is with a third party.
Financial instruments	Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another. For local authorities, this will normally mean contracts which involve the right to transfer cash or other financial assets.
Flexi Time	Police Staff may utilise the flexi time scheme to accrue additional hours worked that are held pending their use at a future date.
FRS	Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board.
Government Grants	Payments by Central Government towards the PCC's expenditure. They are receivable in respect of both revenue and capital expenditure.
IFRS	International Financial Reporting Standards: the accounting standards which determine the production and disclosure of financial statements.
Impairment	An adjustment to the value of long-term assets.
ISG	Integrated Scheme of Governance
JIAC	Joint Independent Audit Committee
Long-term Debtors	Sums of money due to the PCC originally repayable within a period in excess of twelve months and where payment is not due until future years.
Materiality	An item that is not material will not be relevant, cannot influence a user's decision and need not be reported in the financial statements.
Minimum Revenue Provision (MRP)	The statutory requirement to set aside a minimum revenue provision for the repayment of external loans.
Net Book Value	Long-term assets are depreciated in accordance with their asset life. The net book value is the value remaining after cumulative depreciation has been taken away.
Non Domestic Rates	Rates levied on business properties, collected by District Councils, which are distributed between local authorities as income.

Non Operational Assets	Property, Plant and Equipment held by the PCC Group but not directly occupied, used or consumed in the delivery of services. These include buildings under construction and surplus assets.
OJEU	Official Journal of the European Union.
Operating lease	A lease where the asset is only used for part of its useful life, and lease payments amount to rental of the asset.
PCC Group	The Police and Crime Commissioner and the Chief Constable are separate legal entities. They are part of the same PCC Group whose combined accounts are presented collectively.
PEEL	Police Effectiveness Efficiency and Legitimacy board.
Precept	The amount levied by one authority which is collected by another, e.g. the PCC Group is the precepting authority and the District Councils are the collecting authorities.
PUP	Police Uplift Programme – nationwide recruitment programme of an additional 20,000 officers
Revaluation Reserve	A reserve designed to represent the amount by which the current value of long-term assets carried in the Balance Sheet is greater, because they are carried at revalued amounts rather than depreciated historical cost.
Revenue Contributions	The financing of capital expenditure directly from revenue rather than from loans or other sources.
Revenue Expenditure	The day-to-day expenditure of the PCC group on such items as employees and supplies and services.
Revenue Support Grant (RSG)	Grant paid by Central Government in aid of service provision.
Section 22 Agreement	Section 22 of the Police Act 1996 provides for joint working between police forces and/or Police and Crime Commissioners where, in the opinion of the Chief Constable or the Commissioner, collaboration would deliver greater efficiency or effectiveness.
Straight Line Depreciation	The writing down of Property, Plant and Equipment values by an equal amount for each year of that asset's life.
TOIL	Time Off In Lieu may be accrued by both Police Officers and Staff when working additional hours for which payment is not made.
WYPF	West Yorkshire Pension Fund.
Virement	Transfers between budget headings, in accordance with Financial Regulations, reflecting changes in the PCC's expenditure plans.