
THE CHIEF CONSTABLE OF DYFED-POWYS POLICE

STATEMENT OF ACCOUNTS



FOR THE YEAR ENDED
31 MARCH 2025

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Narrative Report

1. Introduction

The Police Reform and Social Responsibility Act 2011 created two corporations sole within each police force area, the Commissioner and the Chief Constable. Each has a clear and separate statutory remit. The Commissioner is publicly elected and therefore, represents the public’s voice on policing matters.

The establishment of the two corporations sole requires each body to produce their own Statement of Accounts with the Commissioner producing a Statement of Accounts for the Group and Police Pension Fund. The Chief Constable produces separate accounts for the Dyfed-Powys Police Force.

Mr Dafydd Llywelyn was re-elected for a third term as Commissioner in May 2024. Dr Richard Lewis took up the post of Chief Constable in December 2021, returning to the Force after two years as Chief Constable of Cleveland Police. The Commissioner and Chief Constable have continued to work together constructively to deliver positive outcomes for the communities of the Dyfed-Powys area. Dr Richard Lewis relinquished the post of Chief Constable on 16 June 2025, with the Deputy Chief Constable Ifan Charles being appointed as Temporary Chief Constable from that date.

This Narrative Report outlines the main objectives, strategies, and principal risks that the Commissioner and the Chief Constable of Dyfed-Powys Police face. It provides a commentary on how resources have been used to achieve desired outcomes in line with these objectives and strategies.

It aims to give a fair, balanced, and understandable analysis of financial and operational performance. This can be used to provide context to the information included with the financial statements to aid the reader’s understanding. The Narrative Report focuses on the following areas:

- Organisational Overview and External Environment
- Governance and Performance
- Organisational Model
- Financial Performance
- Risks, Opportunities, and the Medium-Term Financial Outlook
- Basis of Preparation and Presentation

2 Organisational Overview and External Environment

Spanning 4,188 square miles, Dyfed-Powys is geographically the largest police force in England and Wales. With 13,842 miles of roads, two large ports, 350 miles of coastline and vast areas of countryside, the geography presents significant demand and resourcing challenges.



The resident population of around 519,000 is spread across extensive rural areas, holiday, and market towns as well as more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents its own implications for crime, anti-social behaviour, and roads policing.

The Welsh language is spoken by 41% of the residents of the Dyfed-Powys area compared to the national average of 28%. Both the Commissioner and the Chief Constable are committed to ensuring that the workforce is representative of the communities it serves so that members of the public are, whenever possible, afforded the opportunity to communicate in the Welsh language.

Policing is a non-devolved policy area in Wales, with powers reserved to the UK Government rather than the Welsh Government. Much of the work undertaken across the four county areas is however, rightly done in partnership with local authorities, fire authorities, local health boards, and many other partners including the third sector. Dyfed-Powys Police, along with the Commissioner and his Office, also collaborate on an all-Wales basis across a broad range of policing and business support functions including armed response and responding to the threat of organised crime and terrorism.

Pressures continue to arise from the changing nature of crime and incidents and more recently from a complex array of financial and economic consequences arising from the Covid-19 pandemic compounded by the cost-of-living crisis. This has resulted in significant inflationary cost pressures which necessitated the incorporation of a cost reduction plan of £6.4m to balance 2023/24 budgets and a further £2.2m in respect of the 2024/25 financial year despite a 6.2% increase to council tax at Band D for that year.

Against a challenging financial backdrop, operational demands continue to grow and become increasingly complex. The Force continues to evolve quickly to respond to new risks, threats, and changes in technology, many of which have required new ways of working. The introduction of additional staffing in the Force Communication Centre, funded through an increase in the precept, along with the implementation of a new telephony system in November 2024, has resulted in improvements in answering times and a reduction in non-emergency call abandonment rates. This was previously highlighted as an area of concern for the Force. The precept increase in 2024/25 also enabled the Force to maintain a School Liaison Programme and Police Community Support Officer (PCSO) capacity despite significant reductions in Welsh Government grants. The summer period was challenging in relation to demand, exacerbated by the need to provide support to other forces with the national response to riots and protests following the Southport murders and the war in Gaza.

The Commissioner is responsible for setting strategic priorities for policing in the Dyfed-Powys area through the production of a Police and Crime Plan, ensuring business is conducted in accordance with the law and that proper standards are achieved and maintained.

After extensive consultation, the Commissioner launched a new Police and Crime Plan in February 2025 covering the period 2025 to 2029. The overarching vision is to improve trust and confidence in Dyfed-Powys Police and the criminal justice system in its totality. The plan sets out three priorities and six guiding principles which will underpin delivery:

Priorities	Guiding Principles
Supporting Victims and Preventing Victimisation	Partnership Working
Supporting Safe Communities by Preventing Harm	Shared Endeavours for Policing in Wales
Support a more effective Justice System	Governance and Accountability
	Sustainability
	Being the Voice of the Community
	A Tailored, Person-Centred Approach

After considerable engagement with the workforce, partners and the public, the Chief Constable set out organisational priorities in April 2022. There is a commitment for these complementary priorities to remain unchanged, providing a real opportunity to work differently to achieve more, whilst also ensuring consistency and clarity of purpose.

Priorities
Making the Dyfed-Powys area hostile to those that deal drugs
The elimination of Domestic Abuse, Stalking and Harassment
A compassionate response to victims of Rape and Serious Sexual Assault and the relentless pursuit of offenders

Detailed strategies and delivery plans have been developed to underpin and support the delivery of the Police and Crime Plan and the Chief Constable’s priorities. These plans take cognisance of the challenging operational and financial environment, the need for continued investment to support sustainable services and the requirement to match resources and assets to meet evolving demands and legislation which have been incorporated in the Medium-Term Financial Plan.

3 Governance and Performance

Governance

The Governance arrangements by which the Commissioner and the Chief Constable operate are complex. These have been critically reviewed over recent years and continue to be strengthened and streamlined to ensure effective organisational management, oversight and scrutiny.

The Joint Corporate Governance Framework sets out the principles, structures and processes by which the Office of the Police and Crime Commissioner and Dyfed-Powys Police are governed, both jointly and separately, and this is reviewed and updated annually.

The Commissioner and the Chief Constable each have a clear and separate statutory remit. The Commissioner is statutorily responsible for securing an efficient and effective Police Force and holding the Chief Constable to account for the exercise of his functions. The Commissioner is responsible for setting the annual police budget (including precept level) and ensuring that public money is accounted for and used economically, efficiently and effectively.

The operational independence of the Chief Constable is protected in legislation. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force. The Chief Constable is accountable in law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and Force expenditure. The Chief Constable holds Office under the Crown and is responsible for maintaining the King's Peace.

An Annual Governance Statement (AGS) is published separately, and this provides greater detail on the internal control environment and an evaluation of the governance arrangements against the seven principles for delivering good governance. All parties are expected to abide by the seven principles set out in the Standards in Public Life, known as the Nolan Principles, as well as the Code of Ethics published by the College of Policing.

Performance

From a Force perspective, performance against key objectives is monitored and reported locally at all levels within the organisation as well as at monthly Force Performance events and two-weekly Policing Board meetings.

During 2024/25, 36,776 crimes were recorded, against 36,674 in 2023/24 - an increase of 0.28% (102), as shown in the following table:

Crimes Recorded by Crime Type	2023/24	2024/25	Difference	Difference
	Offences	Offences	Offences	%
Violence Against the Person	17,597	17,063	(534)	(3.03%)
Theft	4,787	4,581	(206)	(4.30%)
Arson and Criminal Damage	4,043	3,971	(72)	(1.78%)
Public Order Offences	4,173	3,901	(272)	(6.52%)
Drug Offences	1,587	1,771	184	11.59%
Sexual Offences	1,459	1,701	242	16.59%
Burglary	1,279	1,558	279	21.81%
Miscellaneous Offences	745	1,007	262	35.17%
Vehicle Offences	628	717	89	14.17%
Possession of Weapons	298	409	111	37.25%
Robbery	78	97	19	24.36%
Total	36,674	36,776	102	0.28%

The year has seen improvements in crime recording practices alongside changes to Home Office Counting Rules (HOCR) and enhanced proactivity in ensuring compliance with the National Crime Recording Standard (NCRS) and the HOCR when recording crimes. The changes in counting rules, for example, include reinstating the principal offence rule for behavioural crimes to allow a focus on the most impactful offence, and increasing the threshold for malicious communications crimes to ensure that they are only recorded when the threshold of a crime is met, rather than when someone is merely offended by something for example posted on social media.

Considering crimes that were assigned an outcome (finalised) in 2024/25, 23,186 out of 36,776 (63.05%) crimes were assigned an outcome within 30 days of being reported. This compares to 18,610 out of 36,674 crimes (50.74%) in 2023/24. A new records management system was implemented in May 2023, which has improved processing times. Positive outcome rates rely on victim participation and the quality of

investigations to bring offenders to justice. Between April 2024 and March 2025, the positive outcome rate has ranged between 14% and 18% each month.

The Force continues to maintain an effective and efficient 999 telephony service. 999 calls are, inevitably, prioritised above all others as they represent urgent emergency requests for assistance where time is of the essence. Reflecting on national reported data during the period 2024/25, the Force's average answer time was 8.08 seconds. In terms of the Force's performance, cognisance must be given to the latency time – the time taken for a call to be transferred from the BT exchange to the Force Control Centre which is included within this reported data. Dyfed-Powys Police maintains a performance record which provides reassurance that, during the period 2024/25, 84.2% of 999 calls were answered in under 10 seconds.

The Force procured and implemented a new telephony and radio system that went live in November 2024. This has provided more accurate data for national comparison, and its intelligent routing of presented calls to multi-skilled operators has ensured that all calls are now answered in a timelier manner thus improving the average speed of answer and enabling the Force to better respond to the public. Since January 2025, the Force has met the national Home Office 999 KPI of 90% of all 999 calls presented to the Force answered within 10 seconds, which it struggled to do in 2024. To showcase the real shift in service delivery on its 999 performance, in April 2025, Dyfed-Powys Police was positioned 5th in the country for its average speed of answer (recorded as 4.95 seconds), and 7th for its 90% KPI measure (recorded as 94.9%), with this data openly publicised on the Police.UK website.

The public largely consider the 101 service to be a contact channel for reporting non-emergency incidents to the Police (generally, calls that do not warrant a 999 call). Three main options exist at the point of contact for members of the public to choose from, these being:

- Option 1 - reporting a new incident,
- Option 2 - calling to enquire about an existing incident, and
- Option 3 - any other enquiry.

Over the last 12 months, the Force has managed to reduce the average speed of answer for its non-emergency calls for service from 391 seconds (6.31mins), as recorded in April 2024, to 47 seconds in March 2025. This represents an 88% reduction in the answer time where callers have been less likely to abandon their calls whilst queuing, which has been positively reflected in the abandonment rate.

Abandonment levels on this service were recorded as 33% in April 2024, and this has decreased over the course of the year by 70% to an abandonment rate of 9.7% as recorded in March 2025, with further decreases seen in April 2025, where the abandonment rate was recorded as 5.9%. This has been attributable to a number of considered measures introduced in the autumn, namely the implementation of a new telephony system, a significant investment in staffing levels, changes to the existing operating model including the introduction of an omni-competent programme intended to strengthen resilience across the department, as well as the introduction of a new rota and shift pattern maximising the number of staff on duty at any one time in line with the demand profile.

The Force offers a 24/7 Digital Contact Service which includes the Single Online Home online reporting platform and two-way social media communications. During 2024/25, a total of 18,490 Single Online Home forms were submitted, an increase of 12.4% from the previous year (data source: Knowledge Hub). This demand is ever increasing with new form categories and services being introduced regularly. In terms of various social media channels and email communication, data shows that during 2024/25, a total of 2,602 conversations were held through social media (data source: Digital Public Contact), a decrease of 44% from the previous year (data source: Knowledge Hub). While not yet fully quantifiable, direct email contact is approximately 200 emails per day.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

The Force was last inspected under the HMICFRS PEEL 2023-25 inspection programme in 2023 and was graded by HMICFRS as 'adequate' at investigating crime, preventing crime, police powers and public treatment, responding to the public, managing offenders and leadership and force management. Areas 'requiring improvement' were in relation to protecting vulnerable people and developing a positive workforce. Overall, the Inspectorate was satisfied with most aspects of the performance of the Force, recognising that the introduction of the new Niche RMS crime recording system during the inspection period that impacted the timeliness of some activities as officers and staff adapted to new ways of working. The Inspectorate also noted impressive standards in the effective investigation of crime and that the Force responds promptly to calls for service and triages effectively.

The Force has made significant progress in relation to the areas for improvement highlighted from the PEEL inspection in 2023, with improved scrutiny of all domestic abuse, stalking and harassment incidents, which now includes undertaking secondary reviews of all DASH (Domestic Abuse Stalking & Harassment) assessments, as opposed to only undertaking reviews on high-risk cases. The demand challenges associated with this change have been met with an investment in additional staff to undertake reviews and the creation of a new stalking coordinator post and new civil orders officer. In addition, the Force has delivered training for officers and staff in specialist vulnerability roles and enhanced governance and performance monitoring to effectively protect vulnerable people. Indeed, each of the areas for improvement relating to the protection of vulnerable people have been signed off as having been met pending HMICFRS verification.

The effective management of operational need with supporting the welfare of officers and staff was graded as 'requiring improvement' by the Inspectorate. Concerns included officers and staff in high-risk roles and those dealing with traumatic incidents with the recommendation that the Force needed to improve its understanding of officer and staff welfare needs. The Force has initiated a significant programme of change through an ongoing Force and Operating Model Review, to bolster uniform response teams while improving organisational effectiveness and efficiency. This is improving service delivery to the public and victims while simultaneously improving the welfare, wellbeing and retention of police officers and staff. The Force has also invested significantly in Occupational Health and Wellbeing resources, with a focus on providing a broader range of wellbeing measures, including support for high-risk roles, and raising awareness of support services available to all staff and officers across the Force.

Other concerns were highlighted, and areas for improvement allocated, around the abandonment rates of non-emergency calls, as well as improvement required in the understanding of risk and demand within incidents awaiting a response. The Force has introduced a new daily management meeting, focused on call volumes and ownership of incidents in lower response grades that has reduced the number of incidents in unmonitored queues. In addition, new processes of recording crimes reported at an earlier stage has reduced the number of incidents awaiting a response. Through additional funding from the OPCC, the Force has also introduced a new contact telephony and radio system, increased staffing and has a new operating model and omnicompetence within the FCC. This has enabled the Force to reduce 101 abandonment rates significantly over the past 12 months, to now meet HMICFRS targets. The Force has made positive progress in both these areas for improvement which have been signed off as having been met pending further HMICFRS verification.

The 2023-25 PEEL Inspection also highlighted the need for the Force to consistently achieve appropriate outcomes for victims, and to ensure compliance with the Victims Code requirements. As previously stated, whilst the Inspectorate noted impressive standards in the effective investigation of crime, ensuring that a victim contract is completed where appropriate was highlighted for improvement. In response to the recommendation, the Force is reviewing current processes and scoping technology options and solutions

through development of consistent victim and witness templates and enhanced scrutiny and auditing to ensure that the Force is compliant with the Victims Code requirements.

The Force maintains an effective approach to problem solving, working with other public sector agencies with a focus on anti-social behaviour and protecting vulnerable people, with effective arrangements in place to protect vulnerable people. The Force is working to address areas for improvement to increase the visibility and accessibility of neighbourhood officers and improve the way it communicates with local people, having committed to the implementation of a new communication app to improve the ability to contact and connect with communities. Improvements in processes, reporting and the recording of stop and search have also been introduced and implemented, to include new Power BI dashboards used internally, and a new scrutiny panel that monitors the use of stop and search across the Force.

The Force has a good understanding of demand in all areas, making sure it has the capacity and capability to manage current and future demands in the most efficient manner. The Commissioner provides external visibility and assurance via the Quality Assurance Panel, established to scrutinise the quality of police contact with the public. The Panel is a transparent and independent forum acting on behalf of the communities of Dyfed-Powys. This external scrutiny has been enhanced to address and discharge another area for improvement highlighted in relation to independent scrutiny of officers' use of force.

The Force has addressed an area for improvement with respect to ensuring that there is comprehensive understanding of how investment in IT systems improves efficiency and productivity. The Inspectorate also found that the Force's financial plans, including investment programme are affordable and will help the Force to meet future demands achieving Financial Excellence in Policing.

During this financial period, the Force has also been subject to other Recommendations from thematic HMICFRS inspection activity and, also direct involvement in inspection. The Force was involved in a Joint Inspection of Child Protection Arrangements (JICPA) for the Pembrokeshire Council area in March 2025. The final report is due to be published later this year, however initial feedback was very positive for the Force in respect to the initial response, identification and awareness of vulnerability, the timely and effective sharing of information with partners and the strong governance and performance monitoring in place. The Force also agreed to be a Pilot Force for a HMI Probation and HMICFRS joint thematic inspection of youth out-of-court disposals in November 2024.

The Force is preparing in advance of the next HMICFRS PEEL inspection due in May 2026 and has responded to recommendations allocated from HMICFRS inspection activity, with 9 areas for improvement and 15 recommendations signed off internally within the last 12-month financial period.

Force Management Statement (FMS)

The Chief Constable submitted the most recent FMS (2024) to HMICFRS in May 2025, providing an updated assessment of operational capacity for Dyfed-Powys Police against current and expected future demand. The FMS is cognisant of several factors within the Force including:

- Priorities set out by the Chief (themed around domestic abuse, drugs, rape and sexual offences).
- The second year of our Force Review Programme is referenced throughout the document, with considerable work ongoing to support, challenge and facilitate the identification of operational business improvements, whilst being mindful of continued efforts to deliver savings targets predominantly identified in year one.
- Continued migration to a dashboard-supported Performance Framework, following transition to Niche RMS.

- The Strategic Policing Requirement (SPR), following updated publication in 2023 to include violence against women and girls (VAWG).

The FMS is cognisant of each of the above factors and the impact they have had on the Force as a whole. It provides an update on key risks and any new risks that have emerged. Each business area section of the FMS considers the condition, performance, composition, capacity, capability, wellbeing, and security of supply of the Force’s workforce and other assets against current and foreseeable future demand requirements. These are outlined in four steps that form part of HMICFRS guidance and will now support business planning and decision-making rationale, as part of the wider annual Planning and Assurance Cycle.

The FMS identified several cross-cutting themes and priorities, specifically in relation to service demand changes. It also highlighted the need for the planned improvements in the Force Annual Planning and Assurance Process whereby details of demand for policing services and the resources needed to meet demand, together with the details of areas to be addressed through investment or productivity improvements are brought together. The report findings are summarised across the following headings:

- Workforce investment, training and accreditation, recruitment, retention resilience, and wellbeing.
- Financial challenges; budgetary pressures remain with reductions and/or changes to Government funding to overcome.
- Environmental issues and sustainability.
- Performance and demand analysis challenges.
- Estates - long-term programme of investment to ensure we can maintain visibility as part of our Neighbourhood Policing and Prevention Strategy.
- Information Communications Technology (ICY) department infrastructure and development/support.
- Information and data management.

The current FMS approach is centrally coordinated and was more closely aligned to the Mid Term Financial Plan (MTFP), strategic planning and budget process for 2025/26. The Force will continue to revise its methodology for producing the FMS to ensure the most efficient and effective approach to strategic planning.

4 The Organisational Model

Dyfed-Powys Police is organised on both a geographical and functional basis. The Chief Constable is supported by a Chief Officer Team which comprises the Deputy Chief Constable, the Assistant Chief Constable, the Director of People and Organisation Development, and the Director of Finance. The main responsibilities of the four positions supporting the Chief Constable are shown in the following table:

Deputy Chief Constable	Assistant Chief Constable	Director of People and Organisation Development	Director of Finance
Legal Department	Local Policing	Human Resources	Corporate Finance
Service Improvement/Force Review	Investigations	Occupational Health and Wellbeing	Information Systems and Technology
Information Management	Specialist Response	Development Services	Procurement
Performance	Force Contact Centre	Staff Associations and Employer Relations	Fleet
Collaboration	Scientific Support		Estates
Professional Standards	Custody and Criminal Justice		
Health and Safety	Partnerships		
HMICFRS Inspection	Corporate Communications		

Having recognised the extent of future financial challenges, the Chief Constable initiated a Force Review Programme in June 2022 to support, challenge, and facilitate the identification and delivery of operational business improvements and delivery of budget savings. The Revenue Budget set for 2024/25 incorporated savings of £2.2m needed to balance budgets, and these have been successfully delivered. This was part of a three-year cashable savings plan aimed at saving £10 million through the Force Review covering years 2023/2024 to 2025/26.

The Force is on target to exceed this with £6.3m having been delivered in 2023/24, £2.2m in 2024/25 and a further £2.8m being identified for delivery in 2025/26. Comprehensive budget holder engagement, monitoring and Finance Business Partnering support has continued through all stages of the Force Review. These, by necessity due to grant funding conditions, initially focussed on non-pay and police staff budgets. The Commissioner also took measures to contain expenditure within his own office, which will allow some flexibility in dealing with financial challenges.

The Force has continued to re-shape to meet demand. However, it is recognised that the landscape of policing is forever changing and there is still much work ahead to deliver against the new Police and Crime Plan and the Chief Constable's priorities whilst addressing issues identified within the latest Force Management Statement.

For the 2024/25 financial year, the Commissioner and Force had a budgeted establishment of 1,295 Police Officers, 137 PCSOs, and 879 Police Staff. A breakdown of the distribution of staffing is shown in the following table:

	Police Officers	PCSOs	Police Staff	Total
Budgeted Positions 2024/25	FTE	FTE	FTE	FTE
Local Policing	564	137	32	733
Investigations	426	0	179	605
Operational Support (including Call Handling)	174	0	151	325
Criminal Justice	2	0	72	74
Scientific Support and Digital Forensics	4	0	68	72
Professional Standards	10	0	18	28
Other including Business Support	38	0	311	349
Office of the Police and Crime Commissioner	0	0	22	22
Seconded and Funded Areas	77	0	26	103
Total	1,295	137	879	2,311

Recruitment intakes have been carefully planned and managed during the year to ensure optimal resourcing levels, availability of specialist skills, and to allow the proportionate geographical distribution of staff. The Police Education Qualifications Framework (PEQF) continues to see intakes of student constables each year with external course providers delivering core elements of their training.

The Force has experienced a high volume of police officers and staff leavers during the year which along with some unavoidable delays in recruitment of transferees, has resulted in significant pressure in terms of recruitment and vetting and unplanned savings against pay headings. As well as recruiting to replace normal retirements and leavers, the Force has also been increasing establishment in line with the Home Office Police Uplift Programme resulting in a headcount target of 1,314 officers by March 2025 which was maintained.

A police staff restructure occurred in spring 2023 which coincided with the go-live of the new Records Management System. These two significant changes did create some short-term backlogs in key processing functions such as firearms licencing, information management and criminal justice which have been addressed in 2024/25. A reduction in Welsh Government funded PCSOs from 89 to 44, as well as removal of School Liaison funding in 2024/25, has been addressed through additional precept with unanimous support from the Police and Crime Panel. PCSO staffing levels have, however, been necessarily reduced from 163 FTE to 137 FTE but with further investment planned in strengthening this through additional funding provided through the Neighbourhood Policing Guarantee from 2025/26. The 2024/25 precept increase also supported the continuation of the School Liaison Programme (despite the withdrawal of Welsh Government grant), and an increase in staffing at the Force Control Centre which along with system changes, have resulted in improvements in call answering and reductions in non-emergency call abandonments.

The Commissioner has an Office which supports him to deliver the statutory responsibilities as set out in The Policing Protocol Order 2011. In addition to the statutory roles of Monitoring Officer and Chief Finance Officer, the Commissioner has a team of professionals to advise on matters relating to finance, policy, performance, engagement, commissioning, and partnerships. The Commissioner had a budgeted establishment of 22 FTE for 2024/25.

5 Financial Performance

The Chief Constable's Statement of Accounts shows the financial performance of the Force. This has been prepared based on proper accounting practice to comply with the requirements of the CIPFA Code of Practice. This differs slightly from the budgets that are managed and monitored on a day-to-day basis as these exclude some elements such as depreciation and movements on pension liabilities which, under statute do not need to be financed fully in the year.

The cost of services included within the Comprehensive Income and Expenditure Statement (CIES) shows that £166.2m has been spent on providing policing services to the public of Dyfed-Powys in 2024/25 (2023/24: £154.5m). The Statement provides an analysis across the main cost components. The largest element was spent on Police Officer Pay and Pensions, which accounted for £82.6m of the total in 2024/25 (2023/24: £77.9m). The variation in cost of service is impacted significantly by the movement in pension liabilities and capital depreciation entries.

The Balance Sheet provides a snapshot of the Chief Constable's assets and liabilities as at 31 March 2025.

The Balance Sheet is dominated by the long-term liability of £923m (2023/24: £1,053m) that exists in respect of future pension liabilities for police officers and staff. This represents the amount that would need to be set aside at the balance sheet date to cover future payments of pensions for all current serving and retired officers and staff. This figure has been calculated independently on an actuarial basis and

takes account of future salary levels, inflation, mortality rates, etc. There has been a significant reduction in the future pension liability, due to changes in actuarial assumptions and discount factors.

The next largest item on the Balance Sheet is the £20m (2023/24: £17m) of short-term creditors representing the amounts owed by the Chief Constable at the end of the year which has increased by £3m since March 2024. Further details and breakdowns in respect of Balance Sheet items are included in the notes to the accounts.

Financial Performance and Budget Variance Analysis 2024/25

The Commissioner set a budget of £143.9m as a Revenue Budget for the financial year 2024/25 which incorporated a use of reserves of £1.6m, as well as financial savings of £2.2m (4.6%). These were deducted from baseline budgets despite a council tax increase of 6.2%. This reflected the continued cost pressures that Dyfed-Powys Police faced in energy, general inflation, pay settlements and interest rates etc.

The 2024/25 financial year has been a year of significant financial consolidation, with the full-year impact of the 7% pay increase awarded in September 2023 needing to be incorporated, as well as an array of other financial pressures which have been absorbed within the overall budget.

The following table sets out the final out-turn position for 2024/25 and compares this to the revised budget. The revised budget reflects additional budgets and reserve movements during the year for budget monitoring purposes, approved in accordance with the Corporate Governance Framework. Movements reflected include additional Anti-Social Behaviour Grants and the removal of Victim Services’ Goleudy Service from Force budgets on re-award to Victim Support.

Variation Statement	Original Budget	Revised Budget	Actual	Variance (Positive for Saving)
Budget Holder	£m	£m	£m	£m
Police and Crime Commissioner				
Office and Commissioning Costs	3.3	3.3	2.9	0.4
Transfer to/(from) Reserves - Commissioner	(0.5)	(0.5)	(0.1)	(0.4)
Total Commissioner Revenue Budget Costs	2.8	2.8	2.8	0.0
Chief Constable				
Police Pay and Allowances	84.2	84.3	83.5	0.8
Police Officer Overtime	1.8	2.3	2.6	(0.3)
Bank Holidays	0.8	0.8	0.7	0.1
Police Staff Pay and Allowances	40.8	40.6	41.0	(0.4)
Police Staff Overtime	0.3	0.3	0.3	0
Pension Costs	1.8	1.8	1.6	0.2
Recruitment, Insurance and Training	1.9	1.9	1.7	0.2
Premises Costs	5.8	5.7	5.8	(0.1)
Other Non-Pay Costs	12.3	12.4	12.0	0.4
Telephone Analysis and Forensics	2.6	2.6	3.1	(0.5)
Collaboration and agency payments	5.3	5.3	5.3	0.0
Grants	(14.3)	(14.7)	(16.4)	1.7
Income	(4.5)	(3.7)	(5.4)	1.7
Capital Financing	3.9	3.9	5.8	(1.9)
Recharges	(0.5)	(1.1)	(1.0)	(0.1)
Total Budget - Force	142.2	142.4	140.6	1.8
Total Budget - Police and Crime Commissioner and Chief Constable	145.0	145.2	143.4	1.8
Contribution to/(from) Reserves - Chief Constable	(1.1)	(1.3)	0.5	(1.8)
Net Spending After Transfer from Revenue to Reserves	143.9	143.9	143.9	0.0
Holding Accounts and self-balancing accounts				
Driver Retraining Programme	0.0	0.0	(0.1)	0.1
Transfer to/(from) Reserves - Driver Retraining	0.0	0.0	0.1	(0.1)
Total Holding Accounts	0.0	0.0	0.0	0.0

The Police and Crime Commissioner's spending was within budget by £0.4m which resulted in a smaller than anticipated movement in reserves being required. This reflected lower spending by the Force and partners, including the impact of the Victim Services transfer highlighted above.

The revenue out-turn position for the Force is very positive with an underspend of £1.8m in hand overall before adjusting for budget reserve transfers earmarked for one-off cost pressures arising in 2025/26 in the Medium Term Financial Plan.

The Force experienced significantly higher officer and staff leavers during the year which resulted in financial savings for the year against pay headings and necessitated retention and recruitment action by Learning and Development. Home Office officer uplift targets were fully met through increased recruitment activity at the end of the financial year. The pay award agreed for payment from September 2024 for staff and officers was higher than anticipated at budget-setting time, at 4.75% compared with 2.5% which added around £1.2m to officer costs and £0.5m to staff costs. The Home Office provided an additional in-year grant of £1.1m which largely negated the impact of this on the bottom line during the year and contributes to the saving against the Grants heading.

A range of operational and specialist officer and staffing challenges resulted in pressure on overtime budgets which were needed to maintain service delivery, and this resulted in a net overspend of £0.2m for officers. A new contract for Custody Forensic Medical Services and a separate Sexual Assault Referral Centre contract were the main contributors to the overspend of £0.5m against the Telephone Analysis and Forensics line.

In terms of Income headings, interest receipts were considerably higher than anticipated due to more favourable cashflows and interest rates remaining higher for longer contributing £0.9m of the £1.7m saving against this heading. A significant rebate of £0.6m in respect of historic rates payments on the HQ property was also recognised at year-end following a proactive appeals process.

The positive variances against Interest and Pay headings allowed the Force to fund more capital spending from its Revenue spending than anticipated, thereby reducing borrowing and capital reserve drawdown. The variance of £1.9m against capital headings reflects an additional Direct Revenue Financing charge agreed for the year. A delay in progressing the sale of properties earmarked for sale in 2024/25 into 2025/26 resulted in a decision to increase Direct Revenue Financing by an equivalent amount rather than increase borrowing or drawdown additional reserves, which could otherwise have affected cashflows.

As in previous years, the Driver Retraining Scheme made a surplus of around £0.1m higher than anticipated, which is added to a reserve earmarked for road safety initiatives by the Chief Constable.

Both the Commissioner and the Chief Constable exercised considerable financial restraint and prudence over the year despite continued operational demands. Several fortuitous events and proactive commercial decisions made the final out-turn position far more favourable than expected. The year-end position is very positive and puts Dyfed-Powys Police in a stronger position to deal with future financial challenges.

At the Policing Board meeting of 21 May 2025, the Police and Crime Commissioner made decisions on the allocation of reserves to match the balances assumed in the Medium-Term Financial Plan level agreed in January 2025. In addition, some further movements were agreed to increase the Commissioner's Innovation Fund which is earmarked towards meeting the costs of an expanded Prevention, Intervention and Engagement Programme across Dyfed-Powys.

Full details of the movement in reserves and outstanding reserves are reported in '*Note 10 - Transfers to/from Earmarked Reserves*' of the Group Accounts.

6 Risks, Opportunities, and the Medium-Term Financial Outlook

Risks are managed at all levels of the organisation through the Governance Structure, and a Corporate Risk Register is used to record, manage, and mitigate the main risks which could affect the delivery of Police and Crime Plan outcomes and the Chief Constable's priorities.

The main risks that remained 'live' at the end of 2024/25 included:

- Aberystwyth Sexual Assault Referral Centre - concerns around funding, timescales, and accreditation requirements by October 2025 for the new premises, given a fixed lease termination date at the current site. This position is being closely monitored collaboratively. [residual score 16]
- Safety Camera Partnership financing in Wales – the Go-Safe Partnership is experiencing financial deficits that are being underwritten by police forces, caused by fluctuating ticket income and inflationary pressures, exacerbated by fixed grant funding. A recovery plan is being formulated. [residual score 12]
- Future funding risk – there is a risk that a Funding Formula Review being undertaken by the Home Office may result in grant funding reductions. The Force is awaiting further consultation and determinations from the Home Office [residual score 15]
- Health Care Professionals in Custody – a failure by the outsourced service provider to meet attendance times at Newtown due to nurse recruitment and vetting issues that are being addressed. [residual score 12]
- Vetting- there is a risk that the Force may not meet its vetting commitments due to increasing backlogs exceeding HMICFRS's tolerance threshold. Resources from various departments are being allocated to address the backlog, and the impact of the support will be closely monitored. [residual score 20]
- Crime recording and timeliness - there is a risk that the crime recording process may not align with Home Office Counting Rules if remaining issues are not addressed, potentially impacting victim services and investigation effectiveness. Prioritising crime recording over investigation has led to monthly improvements in compliance. Continuous monitoring will be conducted until the tolerance levels are met. [residual score 9]
- Control Room solutions - concerns have been raised regarding the Motorola control room solution, which supports a number of emergency services telephony and radio platforms, including Dyfed-Powys Police. Both planned and unplanned outages have occurred, posing risks to service delivery, officer safety, and potentially the Force's reputation. Motorola is providing regular updates on the situation, which will be closely monitored. [residual score 20]

The Risk Register is monitored regularly to ensure that risks are allocated a Risk Owner responsible for applying appropriate mitigations and actions. Further details in relation to risk management are included within the Annual Governance Statement (AGS).

The Police and Crime Panel unanimously agreed an 8.6%, or £28.65, increase in council tax at Band D as proposed by the Police and Crime Commissioner, resulting in a net budget of £153.3m for 2025/26 in January 2025. The budget includes:

- An officer headcount of 1,314, supported by uplift and the Neighbourhood Policing Guarantee.
- An additional 50 police staff positions to release officers to Neighbourhood Policing and response, partly funded by additional Neighbourhood Policing Guarantee Grant.
- An increase in Forensic Medical provision in Custody in Newtown with embedded nurse-based service provision.
- Investment in Criminal Justice to improve management data and to centralise redaction and disclosure processes.

- Investment in Robotic Process Automation (RPA), Community Messaging, and Information Management.
- An expansion in SARC service provision in collaboration with other Welsh forces and health boards.

The budget incorporates a 4.75% increase in pay from September 2024 and inflationary increases at 2.6%, as well as a cost reduction plan requirement of £2.8m for the year. An increase in police staff vacancy factor to 5% has also been built in which more closely reflects current experience. An increase in the National Insurance contribution rate and threshold reduction is also reflected, partly funded through a grant.

Within the Medium-Term Financial Plan, are several assumptions and consequences of decisions already agreed, including:

- Reserves falling from £21.3m in March 2024 to £7.9m by March 2027.
- A 2025/26 Capital Programme of £24.2m including Brecon Police Station and the Joint Firearms Training Range.
- An additional capital financing (borrowing) requirement of £35m by March 2029 and an external borrowing requirement of £55.8m, with capital financing costs fully reflected in the balanced future revenue budget.

The financial environment remains very challenging in terms of the overall economic position, with the cost-of-living crisis resulting in double-digit increases in the budget requirement over the last two years before the addition of cost reduction measures of over £11m being applied since 2023/24. With the Force Review continuing into a second and third year, the Force has been able to set a balanced Medium-Term Financial Plan based on an initial set of assumptions for future years linked to Treasury inflation and funding indications.

The full MTFP document for 2025/26 can be found at:

<https://www.dyfedpowys-pcc.org.uk/en/finance/precept-and-medium-term-financial-plan/>

Setting future inflationary assumptions is difficult, and with each percentage change from assumed levels making a significant difference in monetary terms. A 1% change across all budget assumptions included for each in the Medium-Term Financial Plan would result in a £1.1m deficit/ surplus in relation to 2025/26 but a £3.5m to £4.0m million deficit/surplus for future years which, cumulatively, would need to be addressed by further cost reductions or council tax adjustments. The plan is particularly sensitive to variations in pay awards, precept levels and settlements.

The second stage of the 2025 Comprehensive Spending Review reported on 11 June 2025, and further information is expected to be released in relation to future settlements and Neighbourhood Policing Grant allocations for three years from 2026/27. This will provide a better basis on which to plan financially than the previous Home Office approach of annual settlement announcements. Work on an updated MTFP for 2026/27 will commence from June 2025.

The Commissioner and the Force face numerous unknown and uncertain potential future financial commitments and liabilities which are referred to further in the Contingent Liabilities and Pensions notes. The UK Government recommenced the Funding Formula Review in May 2021, however this is unlikely to progress in the medium term and may well be incorporated into wider considerations around Police Reform. The work on Police Reform has been ongoing and a White Paper setting out the Government's intention is expected in the summer with legislation and an incremental implementation timeframe to follow. The outcome of this work and potential financial consequences remain a risk.

Despite the assumed increases in council tax precept there is a need for continued efficiency and productivity requirements over the term of the MTFP. Uncertainties around future core and specific grant funding, complexities in relation to pensions costs and the workforce set against the wider economic landscape mean that the financial environment is likely to remain challenging for the foreseeable future.

A Section 114 notice is a declaration required to be issued by a local authority's Finance Officer in England and Wales, where an Authority anticipates that its spending will exceed its income for any financial year. To confirm, Dyfed-Powys Police considers the requirements of Section 114 on a regular basis, as part of the budget setting and monitoring process. It is considered that forecasted income is sufficient to meet the forecasted expenditure in the short and medium-term and therefore no issues or notices are required to be reported at this stage.

7 Basis of Preparation and Presentation

Both the Commissioner and Chief Constable as separate legal entities must produce their own Statement of Accounts, with the Commissioner being responsible for production of the Group Accounts, within which the Commissioner's accounts are contained.

The Accounts and Audit (Wales) Regulations 2014 as amended, require local government bodies to prepare a Statement of Accounts in accordance with proper practices. The CIPFA Code of Practice is identified as representing proper practices.

The following is an explanation of the statements that follow, their purpose and the relationship between them:

- **Statement of Responsibilities for the Statement of Accounts** - this statement sets out the responsibilities of the Chief Constable and their Chief Finance Officer;
- **Independent Auditor's Report** - this sets out the opinion of the external auditor, the Auditor General for Wales, on whether the Chief Constable accounts presented give a 'true and fair view' of the financial position and operations of the Chief Constable for 2024/25;
- **Comprehensive Income and Expenditure Statement (CIES)** - this core statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day-to-day expenses and related income on an accrual basis, as well as transactions measuring the value of fixed assets consumed and the real projected value of retirement benefits earned by employees in the year;
- **Balance Sheet** - this core statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The Chief Constable has no reserves to account for. These are the responsibility of the Commissioner. Net assets net to nil by means of an intra group debtor and creditor for working capital to meet the short-term debtors, inventories and creditors;
- **Police Pension Fund Account** - this statement shows expenditure, income, assets and liabilities pertaining to Police Pensions in the year. The account shows the top-up grant due from the Group to the Pension Fund Account. The Home Office subsequently reimburses the Group for money paid over to the account and effectively underwrites the deficit. This practice would work in reverse if the Pension Fund Account were to show a surplus at the year-end;
- **Notes to the financial statements** - these provide additional information that further explains items included within the main statements with an aim of improving the readers' understanding of the main financial statements. They set out the Accounting Policies used as the basis of preparing the financial statements as required by the Code of Practice;

- **Glossary of Terms** - these provide additional narrative to explain terms used within the statement with an aim of improving the readers' understanding as required by the Code of Practice;
- **Movement in Reserves Statement (MiRS)** – this statement is not applicable given that all reserves are the responsibility of the Commissioner;
- **Cash Flow Statement** - this statement is not applicable as bank accounts are held by the Commissioner and are operated on a Group basis;
- **Expenditure and Funding Analysis (EFA)** – No separate Expenditure and Funding Analysis is presented for the Chief Constable as it would provide an incomplete picture of the required disclosures. The Group EFA is provided in the Police and Crime Commissioner for Dyfed-Powys Group Financial Statements and shows the complete analysis as required; and
- **A Joint Annual Governance Statement (AGS)** is published separately to this Statement of Accounts and sets out details of how the Commissioner and Chief Constable exercise governance over their affairs. The Statement is a statutory document for each corporation sole, albeit it continues to be a combined statement for 2024/25. This aims to aid transparency and understanding to the reader, clearly demonstrating where arrangements are consistent and where they differ between the Commissioner and the Chief Constable. The statement includes an annual review of the adequacy of the governance arrangements and provides assurance on the systems of internal control.

Statement of Responsibilities

The purpose of this statement is to set out the responsibilities of the Chief Constable and the Chief Financial Officer in respect of the Statement of Accounts.

The Chief Constable’s responsibilities

The Chief Constable is required to:

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

I approve the Statement of Accounts for financial year 2024/25.



Chief Constable of Dyfed-Powys

Date: 2 December 2025

The Chief Financial Officer’s responsibilities

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

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Local Authority Code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable at the reporting date and of its expenditure and income for the year ended 31 March 2025.



Chief Financial Officer to the Chief Constable

Date: 2 December 2025

The report of the Auditor General for Wales to the Chief Constable of Dyfed Powys Police

Opinion on financial statements

I have audited the financial statements of:

- Chief Constable of Dyfed Powys Police; and
- Dyfed Powys Police Pension Fund

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The Chief Constable of Dyfed Powys Police’s financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet and the related notes, including the material accounting policies.

The Dyfed Powys Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund as at 31 March 2025 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 ‘Audit of financial statements and regularity of public sector bodies in the United Kingdom’. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund’s ability to continue to adopt the going concern

basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor’s report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

- I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:
- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; and
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Dyfed Powys Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund'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 the responsible financial officer anticipates that the services provided by the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My 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 my 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. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and bias when calculating accounting estimates;
- Obtaining an understanding of the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable of Dyfed Powys Police operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund; and

- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Adrian Crompton
Auditor General for Wales
4 December 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of the Chief Constable for Dyfed-Powys' Police website is their responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Comprehensive Income and Expenditure Statement

This statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year.

2023/24 (Restated)					2024/25		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Comprehensive Income and Expenditure Statement	Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
77,865	0	77,865	Police Officer Pay and Pensions		82,645	0	82,645
3,253	0	3,253	Police Officer Overtime		3,389	0	3,389
39,470	0	39,470	Police Staff Pay and Pensions		43,729	0	43,729
209	0	209	Police Staff Overtime		296	0	296
2,867	0	2,867	Other Employee-Related Costs		1,939	0	1,939
5,451	0	5,451	Premises Costs		5,474	0	5,474
2,547	0	2,547	Transport Costs		2,421	0	2,421
13,259	0	13,259	Supplies and Services		16,044	0	16,044
5,035	0	5,035	Agency and Contracted Services		5,065	0	5,065
4,557	0	4,557	Capital Financing Costs *		5,203	0	5,203
154,513	0	154,513	Total Cost of Services		166,205	0	166,205
50,071	0	50,071	Financing and Investment Income & Expenditure	7	50,521	0	50,521
0	(204,584)	(204,584)	Commissioning Costs (Intra-group transfer)		0	(216,726)	(216,726)
204,584	(204,584)	0	Surplus/Deficit on Provision of Services		216,726	(216,726)	0
		(50,804)	Actuarial (gains)/losses on pension asset/liabilities				(157,117)
		50,804	Commissioning Costs (Intra-group transfer)				157,117
		0	Total Comprehensive Income and Expenditure				0

* To represent the Chief Constable's use of the PCC's assets, the CC receives charges equivalent to the capital financing incurred by the PCC. This charge is recognised in the Comprehensive Income and Expenditure Statements.

Balance Sheet

31 March 2024 (Restated) £'000		Note	31 March 2025 £'000
1,053,164	Long-term debtors	16	922,922
1,053,164	Long-term assets		922,922
640	Inventories		521
1,698	Short-term debtors	9	2,821
(2,338)	Intra-group transfer		(3,342)
0	Current assets		0
(17,044)	Short-term creditors	10	(19,911)
17,044	Intra-group transfer		19,911
0	Current liabilities		0
(372)	Long-term creditors		(426)
372	Intra-group transfer		426
(1,053,164)	Other long-term liabilities	16	(922,922)
(1,053,164)	Long-term liabilities		(922,922)
0	Net assets/(liabilities)		0

Police Pension Fund

2023/24 £'000		2024/25 £'000
	Contributions receivable	
(16,399)	Employer contributions	(19,728)
281	Other Income (Employers ill health contributions) *	(444)
(7,084)	Officers' contributions	(7,763)
(23,202)	Contributions receivable	(27,935)
(528)	Transfers in from other pension funds	(476)
	Benefits payable	
35,395	Pensions	38,575
5,640	Commutations and lump sum retirement benefits *	6,468
41,035	Benefits Payable	45,043
	Payments to and on account of leavers	
53	Refunds of contributions	83
(41)	Scheme Pays tax payments **	18
12	Payments to and on account of leavers	101
17,317	Net amount payable for the year	16,733
(17,317)	Intra-group transfer	(16,733)
(17,317)	Total Intra-group transfer	(16,733)
0	Total	0

* For 2023/24, in respect of 'Other Income (Employers ill health contributions)', and 'Commutations and lump sum retirement benefits', there were accounting entries relating to 2022/23 that were not put through until 2023/24. This resulted in the figures being understated in 2023/24. In 2023/24, the understatement against 'Other Income (Employers ill health contributions)' led to the figure becoming a debit (instead of a credit).

The above entries negated to nil, therefore, the adjustments did not affect the 'Additional contribution from the Police Fund (re: Home Office grant)'.

** In respect of 'Scheme Pays tax payments', there was an accounting entry relating to 2022/23 that was not put through until 2023/24. This resulted in the figure for 'Scheme Pays tax payments' being understated in 2023/24. In 2023/24, the understatement led to the figure becoming a credit (instead of a debit).

This adjustment also resulted in the 'Additional contribution from the Police Fund (re: Home Office grant)' being understated in 2023/24.

2023/24 (Restated)		2024/25
£'000	Net Assets Statement	£'000
	Current Assets	
5,270	Debtor - Grant owed from the Home Office	4,405
465	Debtor - Transfer values due	491
0	Debtor - McCloud contributions owed (1987 scheme)	52
5,735	Current Assets	4,948
	Current Liabilities	
(260)	Creditor - Payments due to retiring officers	(948)
0	Creditor - Annual Allowances payable to HMRC	(112)
(5,475)	Creditor - Net balance owed to the Police Fund	(3,888)
(5,735)	Current Liabilities	(4,948)
0	Net Assets	0

Notes to the Police Pension Fund Accounts

- The accounting policies followed, and assumptions made, regarding the Police Pension Fund Account are in line with those set out in Note 1 - Accounting Policies;
- The Police Pension Scheme is administered by Carmarthenshire County Council under a service level agreement;
- There are no investment assets in the fund. The payments in and out of the Pension Fund are balanced to nil each year by receipt of additional contributions from the General Police Fund, which in turn is reimbursed by a specific Home Office grant (Top Up Grant). This grant is received by the Commissioner and passed on to the Chief Constable by way of an intra-group transfer; and
- The Pension Fund's financial statements do not take account of future pension obligations after 31 March 2025. However, these are presented on the Balance Sheet under 'Other Long-Term Liabilities', with detailed disclosures in Note 16 - Defined Benefit Pension Schemes.

Notes to the Accounts

1. Accounting Policies

General Principles

The Statement of Accounts summarises the Chief Constable’s transactions for the 2024/25 financial year and the 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 (Wales) Regulations 2014 as amended, which require them to be prepared in accordance with proper accounting practice. This practice primarily comprises the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

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

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

Previous period adjustments may arise as a result of changes in accounting policies or to correct material errors. 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 where the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the 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 previous 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.

Accruals of Income and Expenditure

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

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Overheads and Support Services

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

Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement (CIES) or in the notes to the

accounts, depending on how significant the items are to an understanding of the financial performance of the Chief Constable.

Events after the Balance Sheet Date

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

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

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

Financial Instruments

Financial Liabilities

These are initially measured at fair value and are carried at their amortised cost.

Financial Assets

The financial assets held by the Chief Constable during the year are financial assets that have fixed or determinable payments and not quoted in an active market.

Foreign currency translation

Where the Chief Constable has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

Inventories

Inventories are included in the balance sheet at current cost price. International Accounting Standard (IAS) 2 states that Inventories should be measured at the lower of cost and net realisable value. The policy does not therefore comply with IAS 2, but the difference is not material.

Contingent Liabilities

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

Joint arrangements - Accounting for the consolidation of joint arrangements

Where the Commissioner/Chief Constable have entered into collaborative arrangements with other Commissioners and Chief Constables, an assessment has been made against IFRS 11 Joint Arrangements to determine the appropriate accounting treatment. IFRS 11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All of the Commissioner's/Chief Constable's

such arrangements are classed as Joint Operations where the Commissioner/Chief Constable is entitled to their fair share of the Joint Operation's Assets and Liabilities.

Further details can be found under the Collaborative Arrangements note (Note 11).

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which the employees render service. An accrual is made for the cost of holiday entitlements (including time off in lieu and flexi leave) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at 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 benefits are charged to revenue in the financial year in which the holiday absence occurs. The Movement in Reserves Statement is included in the Group Statement of Accounts.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Commissioner and the Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

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

Post-Employment Benefits

Police officers and police staff have the option of belonging to one of two separate pension schemes relevant to them:

- Police Pension Scheme, administered through a Police Pension Fund.
- Local Government Pension Scheme administered by Carmarthenshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees having worked for the Group.

This Police Pension Scheme is 'unfunded' which means that no investment assets are built up to pay pensions and other benefits in the future, and therefore no provision to meet the liability for future payments of benefits is included in the balance sheet. The liabilities of the Local Government Pension Scheme that are attributable to the Group 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.

Discretionary Benefits

The Commissioner and the Chief Constable also have 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.

Value Added Tax (VAT)

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

2. Prior Period Adjustments

Collaboration Fair Share Reserve

The audit of the 2024/25 accounts identified an inaccuracy in the accounting treatment of collaboration fair share adjustments.

Reserve movements associated with joint arrangements have been incorrectly processed through the Comprehensive Income and Expenditure Statement (CIES) rather than being appropriately reflected in the Movement in Reserves Statement (MiRS).

The misstatement has resulted in the unusable reserve balance being incorrectly cleared to £nil each year and this accounting treatment has been followed since the inception of the collaboration arrangements in 2014/15.

The implication of this error requires a restatement of prior year comparative amounts for all affected primary statements and associated disclosure notes as this will allow a 'like-for-like' comparison between financial years. If the 2023/24 restatement was not carried out, materially, the accounts would be showing an incorrect position for 2024/25 as the underlying way that the adjustments are being processed would be different for each year.

The first table below shows the cumulative balances for the Collaboration Fair Share Reserve as previously reported, whilst the second table shows the restated reserve balances using the correct accounting treatment for collaborative fair share adjustments.

Collaboration Fair Share Reserve (as previously stated)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance 1 April	0	16	30	154	43	342	378	(110)	(120)	(364)
Reversal of adjustment made at the end of the preceding year	0	(16)	(30)	(154)	(43)	(342)	(378)	110	120	364
Amounts adjusted at the end of the current year	16	30	154	43	342	378	(110)	(120)	(364)	3
Closing balance 31 March	16	30	154	43	342	378	(110)	(120)	(364)	3

Collaboration Fair Share Reserve (restated)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance 1 April	0	16	46	200	243	585	963	853	733	369
In-year movement	16	30	154	43	342	378	(110)	(120)	(364)	3
Closing balance 31 March	16	46	200	243	585	963	853	733	369	372

The opening balance in the Collaboration Fair Share Reserve in 2024/25 has been adjusted to £372k as shown in the table above (please refer to Group Statement - Prior Period Adjustment Note 2 and Unusable Reserves Note 23 for further details)

The impact of the above adjustments on the Chief Constable's primary statements for 2023/24 is as follows:

Comprehensive Income & Expenditure Statement Chief Constable	2023/24 (as previously stated)	2023/24 (restated)	Correction
	£'000	£'000	£'000
Police Officer Pay and Pensions	77,301	77,865	564
Police Officer Overtime	3,253	3,253	0
Police Staff Pay and Pensions	38,216	39,470	1,254
Police Staff Overtime	209	209	0
Other Employee-Related Costs	2,693	2,867	174
Premises Costs	5,454	5,451	(3)
Transport Costs	2,402	2,547	145
Supplies and Services	12,684	13,259	575
Agency and Contracted Services	6,434	5,035	(1,399)
Capital Financing Costs	4,558	4,557	(1)
Net Cost of Services	153,204	154,513	1,309

Balance Sheet Chief Constable	2023/24 (as previously stated)	2023/24 (restated)	Correction
	£'000	£'000	£'000
Short-term creditors	(17,047)	(17,044)	3
Long-term creditors	0	(372)	(372)
Intra-group transfer	17,047	17,416	369

Police Pension Fund

Previously, the Police Pension Fund Net Assets Statement was only reflecting debtors or creditors relating to payments due to retiring officers. It did not reflect other debtors or creditors such as the grant owed from the Home Office, transfer values due, or the net balance owed to the Police Fund.

This has resulted in a requirement to restate the 2023/24 figures as follows:

2023/24 (as previously stated)	Net Assets Statement	2023/24 (restated)
£'000		£'000
255	Debtor – Net balance owed from the Police Fund	0
0	Debtor – Grant owed from the Home Office	5,270
0	Debtor – Transfer values due	465
255	Current Assets	5,735
(255)	Creditor – Payments due to retiring officers	(260)
0	Creditor – Annual Allowances payable to HMRC	0
0	Creditor – Net balance owed to the Police Fund	(5,475)
(255)	Current Liabilities	(5,735)
0	Net Assets	0

3. Accounting Standards issued but not yet adopted

The Code requires the Chief Constable to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts, issued in May 2017, replaces IFRS 4 and sets out principles for recognition, measurement, presentation, and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

It is anticipated that the above changes will have no impact on the current Financial Statements. When compiling the Financial Statements for 2025/26, the effect of the changes will be reassessed and if necessary, the comparative figures restated.

4. Critical judgements in applying accounting policies

There continues to be a high degree of uncertainty about future funding levels for the Police and Crime Commissioner for Dyfed-Powys. The impact of the Spending Review announcement on 11 June 2025 will not be fully understood at a force level until the annual settlement is announced in December. The Home Office planned to publish a Police Reform White Paper in spring 2025, which has been delayed to the end of the year, to outline comprehensive reforms to the policing system in England and Wales. Details around local impact and timescales are not likely to be known for some time. Any changes will take some time to crystalise both in terms of local impact and within the wider economic and political landscape and are reviewed and monitored as part of ongoing work on the Medium-Term Financial Plan.

5. Assumptions and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable about the future, or figures that are otherwise uncertain. Estimates are made considering 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 as at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	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 to retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase of 0.25% in pay award for the police officer pension scheme would result in an increase to the Police Pension Fund liability from £923m to £932m.

6. Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2025.

There have been no events after the reporting period that would affect the Chief Constable's financial position for 2024/25.

7. Financing and investment income and expenditure

This line contains corporate items of income and expenditure arising from involvement in financial instruments and similar transactions involving interest.

2023/24 £'000		Note	2024/25 £'000
50,071	Pensions interest cost and expected return on pensions assets	16	50,521
50,071	Total		50,521

8. Financial Instruments including Nature and Extent of Risks Arising

The financial risks and rewards are borne by the Police and Crime Commissioner and the accounting, notes and supporting disclosures are held within the Group Accounts.

9. Short-term Debtors

31 March 2024 £'000		31 March 2025 £'000
1,697	Prepayments	2,821
1	Other receivables	0
1,698	Total	2,821

10. Short-term Creditors

31 March 2024 (Restated) £'000		31 March 2025 £'000
(3,026)	Trade payables	(3,394)
(14,018)	Other payables	(16,517)
(17,044)	Total	(19,911)

11. Collaborative Arrangements

Police forces in Wales have a long, successful history of collaborating to develop specialist areas of policing. This included those under the remit of the former Police Authorities of Wales Joint Committee. Future collaboration will be driven by the need to satisfy the strategic policing requirement and by the outcomes of the Regional Strategic Assessment of threats, risks and harm to the southern region of Wales.

The Police and Crime Commissioner for each police force will be responsible for ensuring the Strategic Policing Requirement is met. As part of this, the Commissioner will look to work in collaboration with other Commissioners and forces to provide the most effective service possible. Such agreements are regulated by Section 22A of the Police Act 1996, as amended by the Police Reform and Social Responsibility Act 2011.

The collaborative services and their funding continue under revised Commissioner and Force governance arrangements. These are in effect considered as ‘pooled budgets’ with agreements for funding contributions made and varied from time to time, supported by certain specific government grants. The pooled budgets are effectively hosted by the Police and Crime Commissioner and Chief Constable for South Wales Police on behalf of the four police forces in Wales.

The total costs of the collaborative team in 2024/25 were £506k (2023/24 £422k) and Dyfed-Powys Police’s contribution to these costs was £130k in 2024/25 (2023/24 £109k).

Income and Expenditure for the main activities of the collaborative units is presented below along with the funding contributions made by each participating Force.

Included in accounting policies under collaborative arrangements is an explanation of the accounting requirements for joint operations. IFRS 11 - Accounting for Joint Arrangements, requires income and expenditure to be subject to a different accounting treatment than actually incurred. Accordingly, expenditure in the Comprehensive Income and Expenditure Statement has been increased by £2,397k (2023/24: £2,506k) and income/grants have been increased by £2,343k (2023/24: £2,503k); a net increase in expenditure of £54k (2023/24: increase of £3k). This net increase has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

Assets, debtors and creditors in respect of the arrangements have remained in the balance sheets of forces on the basis of materiality.

Expenditure and Income Statements for 2024/25 for the main collaborative arrangements were as follows:

	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	
	National Policing	National Policing	National Policing	Intelligence Investigation	Intelligence	Specialist Operations	Total
Service Classification	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pay Expenditure	9,656	651	3,774	13,950	1,793	15,897	45,721
Non-Pay Expenditure	1,934	75	1,086	2,254	584	2,594	8,527
Gross Expenditure	11,590	726	4,860	16,204	2,377	18,491	54,248
Specific Grant Income	(11,532)	(726)	(4,859)	(7,571)	0	(1,415)	(26,103)
Income	(58)	0	(1)	(67)	(72)	(738)	(936)
Total Income and Grants	(11,590)	(726)	(4,860)	(7,638)	(72)	(2,153)	(27,039)
(Surplus) or Deficit - to be funded from Force contributions as follows	0	0	0	8,566	2,305	16,338	27,209
Force contributions (net)							
Dyfed-Powys	0	0	0	(1,742)	(469)	(4,901)	(7,112)
Gwent	0	0	0	(2,225)	(599)	(3,268)	(6,092)
South Wales	0	0	0	(4,599)	(1,237)	(8,169)	(14,005)
Total Force Contributions	0	0	0	(8,566)	(2,305)	(16,338)	(27,209)

Each Force's contribution towards Expenditure and Income for 2024/25 was as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	Intelligence/ Investigation (Population – national benefit basis) £'000	Intelligence (Agreed Financial Contribution – local delivery) £'000	Specialist Operations (Agreed Financial Contribution – local delivery) £'000	
Dyfed-Powys	1,914	120	417	3,425	484	5,547	11,907
Gwent	2,181	137	475	3,902	617	3,698	11,010
North Wales*	2,534	159	2,889	0	0	0	5,582
South Wales	4,961	310	1,079	8,877	1,276	9,246	25,749
Gross Expenditure	11,590	726	4,860	16,204	2,377	18,491	54,248
Dyfed-Powys	(1,914)	(120)	(417)	(1,614)	(15)	(646)	(4,726)
Gwent	(2,181)	(137)	(475)	(1,840)	(19)	(431)	(5,083)
North Wales	(2,534)	(159)	(2,889)	0	0	0	(5,582)
South Wales	(4,961)	(310)	(1,079)	(4,184)	(38)	(1,076)	(11,648)
Total Income and Grants	(11,590)	(726)	(4,860)	(7,638)	(72)	(2,153)	(27,039)

Counter Terrorism Intelligence Unit expenditure for 2024/25 excludes £196k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

Counter Terrorism Specialist Advisors expenditure for 2024/25 excludes £5k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

Counter Terrorism Port/Dedicated Security expenditure for 2024/25 excludes £89k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

** North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police Contribute to the North West Region of England and North Wales.*

Expenditure and Income Statements for 2023/24 for the main collaborative arrangements are as follows:

Service Classification	Counter Terrorism Intelligence Unit	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing £'000	National Policing £'000	National Policing £'000	Intelligence Investigation £'000	Intelligence £'000	Specialist Operations £'000	
Pay Expenditure	9,241	627	3,697	11,642	1,663	14,666	41,536
Non-Pay Expenditure	2,314	64	529	2,338	560	2,374	8,179
Gross Expenditure	11,555	691	4,226	13,980	2,223	17,040	49,715
Specific Grant Income	(11,492)	(691)	(4,226)	(7,316)	0	(1,336)	(25,061)
Income	(63)	0	0	(116)	(29)	(844)	(1,052)
Total Income and Grants	(11,555)	(691)	(4,226)	(7,432)	(29)	(2,180)	(26,113)
(Surplus) or Deficit - to be funded from Force contributions as follows	0	0	0	6,548	2,194	14,860	23,602
Force contributions (net)							
Dyfed-Powys	0	0	0	(1,332)	(446)	(4,458)	(6,236)
Gwent	0	0	0	(1,701)	(570)	(2,972)	(5,243)
South Wales	0	0	0	(3,515)	(1,178)	(7,430)	(12,123)
Total Force Contributions	0	0	0	(6,548)	(2,194)	(14,860)	(23,602)

Each Force's contribution towards Expenditure and Income for 2023/24 is as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	Intelligence/ Investigation (Population – national benefit basis) £'000	Intelligence (Agreed Financial Contribution – local delivery) £'000	Specialist Operations (Agreed Financial Contribution – local delivery) £'000	
Dyfed-Powys	1,915	115	430	2,969	452	5,112	10,993
Gwent	2,182	131	490	3,384	577	3,408	10,172
North Wales*	2,539	152	2,202	0	0	0	4,893
South Wales	4,919	293	1,104	7,627	1,194	8,520	23,657
Gross Expenditure	11,555	691	4,226	13,980	2,223	17,040	49,715
Dyfed-Powys	(1,915)	(115)	(430)	(1,579)	(6)	(654)	(4,699)
Gwent	(2,182)	(131)	(490)	(1,799)	(7)	(436)	(5,045)
North Wales*	(2,539)	(152)	(2,202)	0	0	0	(4,893)
South Wales	(4,919)	(293)	(1,104)	(4,054)	(16)	(1,090)	(11,476)
Total Income and Grants	(11,555)	(691)	(4,226)	(7,432)	(29)	(2,180)	(26,113)

Tri-Force Firing Range – Capital Project

The Tri-Force Firing Range Project is a joint capital project between South Wales Police, Gwent Police and Dyfed-Powys Police to construct and operate a joint asset which will deliver a new operational training facility for the Joint Firearms Unit. The Asset is being constructed within the SWP Force area but will be jointly funded, owned, and operated by the three forces.

Total Expenditure on the Asset Under Construction (AUC) at 31 March 2024 was £4,709k, with expenditure of £21,619k during the financial year 2024/25, giving an AUC expenditure of £26,328k at 31 March 2025. The breakdown of this expenditure and the funding for it from the 3 partner forces is shown in the table below:

Assets Under Construction 2024/25	Dyfed-Powys Police	South Wales Police	Gwent Police	Total
	26.72%	44.35%	28.93%	
	£'000	£'000	£'000	£'000
Opening Balance 1 April	1,258	2,088	1,363	4,709
Expenditure during the year	5,777	9,588	6,254	21,619
Closing Balance 31 March	7,035	11,676	7,617	26,328

12. Officers' remuneration

Senior employees - The remuneration paid to the Chief Constable's senior employees in 2024/25 was as follows:

	From	To	Full-time equivalent salary as at 31.03.25 or end date £	Actual salary, including allowances £	Benefits in kind - lease cars £	Benefits in kind - relocation & rent £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	01/04/2024	31/03/2025	191,331	186,379	0	0	0	186,379	65,792	252,171
Deputy Chief Constable**	21/07/2024	31/03/2025	144,687	99,996	6,950	0	0	106,946	35,298	142,244
Temporary Deputy Chief Constable**	01/04/2024	31/08/2024	138,127	57,640	3,316	0	0	60,956	20,029	80,985
Assistant Chief Constable	01/04/2024	20/07/2024	122,307	37,152	3,037	0	0	40,189	13,115	53,304
Temporary Assistant Chief Constable	21/07/2024	31/03/2025	120,489	83,272	7,059	0	0	90,331	29,395	119,726
Temporary Assistant Chief Constable – All-Wales Collaboration*	06/01/2025	31/03/2025	120,489	28,521	0	0	0	28,521	10,061	38,582
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2024	31/03/2025	108,033	105,992	0	0	0	105,992	17,807	123,799
Director of People and Organisation Development	01/04/2024	31/03/2025	93,024	91,267	0	0	0	91,267	15,333	106,600
Total 2024/25				690,219	20,362	0	0	710,581	206,830	917,411

* The costs of this post were 25% funded by a Counter Terrorism Policing grant, and 75% shared between the four Welsh forces participating in Police Collaboration Wales. Dyfed Powys share of these costs for 2024/25 was £8,038.

** There was a crossover of employment for the Deputy Chief Constable post as a handover was given due to the nature of this role

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Senior employees - The remuneration paid to the Chief Constable's senior employees in 2023/24 was as follows:

	From	To	Full-time equivalent salary as at 31.03.24 or end date £	Actual salary, including allowances £	Benefits in kind - lease cars £	Benefits in kind - relocation & rent £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	01/04/2023	31/03/2024	174,633	169,873	0	0	0	169,873	52,661	222,534
Deputy Chief Constable*	01/04/2023	11/12/2023	133,248	90,885	5,312	0	0	96,197	27,633	123,830
Temporary Deputy Chief Constable**	04/06/2023	31/03/2024	133,248	110,209	7,411	0	0	117,620	33,578	151,198
Assistant Chief Constable	16/07/2023	31/03/2024	122,307	81,401	3,225	0	0	84,626	25,175	109,801
Temporary Assistant Chief Constable (A)	01/04/2023	15/07/2023	107,502	31,210	1,190	0	0	32,400	9,675	42,075
Temporary Assistant Chief Constable (B)	01/04/2023	03/06/2023	114,306	20,364	1,564	0	0	21,928	6,201	28,129
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2023	31/03/2024	103,134	100,357	0	0	0	100,357	16,860	117,217
Director of People and Organisation Development***	07/08/2023	31/03/2024	86,934	56,125	0	0	0	56,125	9,429	65,554
Total 2023/24				660,424	18,702	0	0	679,126	181,212	860,338

*On the 20 March 2023, the Deputy Chief Constable started a secondment with the University of South Wales in the position of Programme Manager – HYDRA Research and Innovation. No income was received for this secondment

** The salary includes a £493 back payment from 2021/22 for their time as ACC Regional Collaboration. There is £153 within pension contributions relating to this too

***This is a new post created in the 2023/24 year

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Other employees (excludes senior officers – itemised above)

The other Chief Constable employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) in bands of £5,000 were:

2023/24		2024/25
Number of employees		Number of employees
71	£60,000 - £64,999	107
23	£65,000 - £69,999	71
7	£70,000 - £74,999	13
3	£75,000 - £79,999	3
4	£80,000 - £84,999*	8
0	£85,000 - £89,999	2
6	£90,000 - £94,999*	5
6	£95,000 - £99,999	2
2	£100,000-£104,999	4
0	£105,000-£109,999	3
2	£110,000-£114,999	0
0	£115,000-£119,999	0
0	£120,000-£124,999	0
0	£125,000-£129,999	0

* Remuneration includes a compensation for loss of office payment in 2023/24

Salaries over £150,000

One police officer, Dr Richard Lewis, the Chief Constable, received an annual remuneration of £191,331 in 2024/25 (2023/24: £174,633).

Ratio of Chief Constable Remuneration

The Accounts and Audit Regulations (Wales) 2014, as amended, require disclosure of the following remuneration ratio information.

- the remuneration of the body's Chief Constable during the year to which the accounts relate;
- the median full-time equivalent remuneration of all the body's employees in post at 31 March 2025; and
- the ratio of the amount in sub-paragraph (a) to the amount in sub-paragraph (b).

Remuneration includes basic salary, overtime, allowances and benefits in kind.

The annualised remuneration for the Chief Constable was £191,331 (2023/24: £174,633). The Chief Constable received no benefit in kind during 2024/25 (2023/24: nil).

The median full-time equivalent remuneration of all the Chief Constable's employees as at 31 March 2025 was £40,781 (2023/24: £39,307).

The ratio of the Chief Constable's remuneration to the median Chief Constable employee's remuneration was 4:69:1 (2023/24: 4:44:1).

Members

The Scheme of Governance states that Members' expenses should be split equally between the Commissioner and Chief Constable. In 2024/25, allowances and expenses paid amounted to £10,000 in total (2023/24: £2,000). As 50% of this amount is not material, the costs have not been accounted for in the Chief Constable's accounts but accounted for in full within the Group accounts.

13. External audit costs

The Commissioner and the Chief Constable jointly incurred external audit fees with Audit Wales. The total costs are split equally between the Group/Commissioner Statement of Accounts and the Chief Constable Statement of Accounts.

2023/24 £'000	Area of Audit Work	2024/25 £'000
97	Audit of Accounts	99
6	Use of Resources	6
103	Total	105

14. Related parties

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

Central Government

Central Government has significant influence over the general operations of Dyfed-Powys Police and the Police and Crime Commissioner as it is responsible for providing the statutory framework within which both Dyfed-Powys Police and the Police and Crime Commissioner operate. It also provides the majority of funding in the form of grants and prescribes the terms of many of the transactions that Dyfed-Powys Police and the Police and Crime Commissioner have with other parties. A number of grants are received from the Home Office and the Welsh Government, most of which have strict terms and conditions, and these are set out in Note 31 of the Group Accounts.

Local Government

The Police and Crime Commissioner for Dyfed-Powys receives income in the form of precepts from the Council Tax Collection Funds of local authorities. The income received for 2024/25 and 2023/24 is provided as follows:

2023/24 £'000		2024/25 £'000
(23,471)	Carmarthenshire County Council	(25,387)
(18,712)	Pembrokeshire County Council	(21,337)
(20,090)	Powys County Council	(21,428)
(10,245)	Ceredigion County Council	(11,212)
(72,518)	Total	(79,364)

Entities controlled or significantly influenced by the Chief Constable

The Chief Constable and the Financial Officer to the Chief Constable were trustees of the 'Safer Dyfed-Powys Diogel' Trust until the charity was dissolved in August 2024. Further information about the Trust is included in 'Note 40 - Trust Funds' of the Group Statement of Accounts.

During 2024/25, the Chief Constable did not undertake any financial transactions with Safer Dyfed-Powys Diogel (2023/24: nil).

Joint Audit Committee Members

The total allowances and expenses paid to members during 2024/25 are shown in note 12.

During 2024/25, a member of the Joint Audit Committee has been employed by Barcud Housing Association, which is a partner of Dyfed-Powys Police. During 24/25 financial year there was £15k spent with Barcud Housing Association (2023/24: nil).

Two members of the Joint Audit Committee are lay members of Carmarthenshire County Council's Governance and Audit Committee, one of which has served as its Chair since their appointment to the Governance and Audit Committee in 2022.

15. Termination benefits

Three exit packages (including payment in lieu of notice) were paid during 2024/25 (2023/24: 19). There was an increase in 2023/24 due to a Force Savings Review.

The £0-20,000 and £20,001-40,000 bandings have been merged to avoid being able to identify individual exit packages in 2024/25.

The total costs within £0-40,000 banding has reduced by £1,000 for the 2023/24 comparative year due to an over-accrual.

Exit package cost band	2023/24			2024/25		
	Number of departures agreed (excluding compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (including payment in lieu of notice and compulsory redundancies)	Number of departures agreed (excluding compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (including payment in lieu of notice and compulsory redundancies)
	FTE	FTE	£'000	FTE	FTE	£'000
£0 - £40,000	10.0	3.0	173	3.0	0.0	51
£40,001 - £60,000	0.0	0.0	0	0.0	0.0	0
£60,001 - £80,000	1.0	2.0	196	0.0	0.0	0
£80,001 - £100,000	1.0	0.0	92	0.0	0.0	0
£100,001 - £150,000	2.0	0.0	228	0.0	0.0	0
	14.0	5.0	689	3.0	0.0	51

16. Defined Benefit Pension Schemes

Participation in pension schemes

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

The Chief Constable participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Carmarthenshire County Council – this is a funded defined benefit CARE (Career Average Revalued Earnings) scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. It should be noted that all staff are employed by the PCC, however for the majority of staff direction and control lies with the Chief Constable. Costs have been apportioned to reflect this.
- The Police Pension Scheme – this is an unfunded defined benefit CARE (Career Average Revalued Earnings) scheme, consequently the fund has no investment assets. Benefits payable are funded by contributions from employers and employees with any difference between benefits payable and contributions receivable being met by a top up grant from the Home Office via the Commissioner.

Valuation of Scheme Liabilities

As a key part of the annual Statement of Accounts compilation exercise, actuaries are engaged to undertake an assessment of pension liabilities, assets and costs for inclusion in the Balance Sheet and Comprehensive Expenditure and Income Statement under IFRS. Traditionally these have been undertaken on a full valuation basis every three years with a roll-forward approach being applied in the interim years.

Transactions Relating to Post-Employment Benefits

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

These costs are reversed out of the Chief Constable's accounts into the Commissioner's accounts as the Chief Constable is not responsible for holding any reserves. This is shown as an intra-group transfer and can be seen on the following table:

	Local Government Pension Scheme		Police Pension Scheme	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
Comprehensive Income and Expenditure Statement				
Cost of services				
Current service cost	(5,093)	(5,103)	(16,005)	(15,665)
Past service cost (including McCloud)	0	0	0	0
Other	(652)	(135)	0	0
Financing and Investment Income and Expenditure				
Net interest cost	601	136	(50,672)	(50,657)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	(5,144)	(5,102)	(66,677)	(66,322)
Other Post-Employment Benefit charged to the Comprehensive Income and Expenditure Statement				
Re-measurement of the net defined benefit liability comprising				
Return on plan assets (excluding the amount included in the net interest expense)	11,134	(5,162)	0	0
Experience (gain)/loss	(765)	(138)	(6,348)	40
Re-measurement gains and losses arising on changes in demographic assumptions	2,189	373	20,752	1,724
Re-measurement gains and losses arising on changes in financial assumptions	6,854	31,046	36,862	156,114
IFRIC 14 surplus adjustment	(19,873)	(26,880)	0	0
Total Post-Employment Benefit charged to the Comprehensive Income and Expenditure Statement	(5,605)	(5,863)	(15,411)	91,556
Commissioning Costs (intra-group transfer)	5,605	5,863	15,411	(91,556)
Net cost	0	0	0	0
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	0	0	0	0
Actual amount charged against the General Fund Balance for pensions in the year				
Employers' contributions payable to scheme	0	0	0	0

An intra-group transfer has been included in the Chief Constable's accounts, as the Chief Constable is not responsible for managing reserves.

IFRIC surplus adjustment

The IAS19 Balance Sheet was showing a surplus for the Local Government Pension Scheme of £58.848m at 31 March 2025.

'IFRIC14 - IAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction' addresses the extent to which an IAS19 surplus can be recognised on the balance sheet and states that when an entity has a surplus, it shall measure the net defined benefit asset as the lower of:

- a) The surplus in the defined benefit plan; and
- b) the asset ceiling, determined using the discount rate (IAS19).

The asset ceiling is 'the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan'.

Calculations were performed and it was determined that an asset ceiling adjustment was required. This is to stop the LGPS showing an asset which belongs to the scheme members rather than the scheme itself. An unfunded liability of £310k remains.

£57.567m of the Local Government Pension Scheme surplus was in respect of employment costs incurred by the Chief Constable and £1.281m was in relation to employment costs incurred by the Police and Crime Commissioner.

Pensions Assets and Liabilities recognised in the Balance Sheet

The majority of the employment costs are incurred by the Chief Constable, therefore assets and liabilities relating to post-employment benefits remain within the Chief Constable accounts.

The net liability arising from the defined benefit obligation:

2024/25	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(158,180)	(922,630)	(1,080,810)
Fair value of plan assets	217,028	0	217,028
IFRIC 14 surplus adjustment	(59,158)	0	(59,158)
Net liability arising from defined benefit obligation (Group)	(310)	(922,630)	(922,940)
Amount attributable to Police and Crime Commissioner	18	0	18
Net liability arising from defined benefit obligation (Chief Constable)	(292)	(922,630)	(922,922)

2023/24	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(178,496)	(1,053,173)	(1,231,669)
Fair value of plan assets	208,653	0	208,653
IFRIC 14 surplus adjustment	(30,157)	0	(30,157)
Net liability arising from defined benefit obligation (Group)	0	(1,053,173)	(1,053,173)
Amount attributable to Police and Crime Commissioner	9	0	9
Net liability arising from defined benefit obligation (Chief Constable)	9	(1,053,173)	(1,053,164)

Reconciliation of the movements in the Fair value of Scheme (Plan) Assets:

	Local Government Pension Scheme		Police Pension Scheme	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
Opening fair value of scheme assets	185,385	208,653	0	0
Interest income	8,972	10,309	0	0
Re-measurement gain/(loss) - the return on plan assets, excluding the amount included in the net interest expense	11,360	(5,286)	0	0
Contributions from employer	5,706	5,690	35,659	38,987
Contributions from employees into the scheme	2,006	2,208	7,071	7,360
Benefits paid	(4,653)	(4,411)	(42,730)	(46,347)
Other (if applicable)	(123)	(135)	0	0
Closing fair value of scheme assets	208,653	217,028	0	0

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
Opening Balance as at 1 April	(175,504)	(178,496)	(1,073,421)	(1,053,173)
Current service cost	(5,196)	(5,225)	(16,005)	(15,665)
Interest cost	(8,359)	(8,692)	(50,672)	(50,657)
Contributions from scheme participants	(2,006)	(2,208)	(7,071)	(7,360)
Remeasurement gains / (losses)				
Remeasurement gains/losses arising from changes in demographic assumptions	2,233	382	20,752	1,724
Remeasurement gains/losses arising from changes in financial assumptions	6,993	31,789	36,862	156,114
Remeasurement gains/losses arising from experience	(781)	(141)	(6,348)	40
Losses / gains on curtailment (where relevant)	(529)	0	0	0
Benefits Paid	4,653	4,411	42,730	46,347
Closing balance as at 31 March	(178,496)	(158,180)	(1,053,173)	(922,630)

Local Government Pension Scheme Assets

	2023/24 £'000	2024/25 £'000
Fair value of Scheme assets		
Cash and cash equivalents	1,044	1,953
Equity instruments	151,798	157,259
Bonds	19,633	19,923
Property	25,701	22,658
Alternatives	10,477	15,235
Total Assets	208,653	217,028

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependent on assumptions including mortality rates and salary levels.

Both the LGPS and Police Pension Scheme liabilities have been estimated by Mercer Limited, an independent firm of actuaries.

The significant assumptions used by the actuary have been:

Mortality and Other Assumptions	Local Government Pension Scheme		Police Pension Scheme	
	2023/24	2024/25	2023/24	2024/25
Longevity at 65 (60 for police scheme) for current pensioners				
Men	21.5	21.5	25.4	25.6
Women	23.8	23.9	27.9	28.2
Longevity at 65 (60 for police scheme) for future pensioners				
Men	22.9	22.9	27.3	27.5
Women	25.6	25.7	29.7	29.9
Other assumptions				
Rate of inflation	2.6%	2.6%	2.6%	2.6%
Rate of increase in salaries	4.1%	4.1%	4.1%	4.0%
Rate of increase in pensions	2.7%	2.7%	2.7%	2.7%
Rate for discounting scheme liabilities	4.9%	5.9%	4.9%	5.9%

The assumptions for the Police Pension Scheme have been prepared on a weighted average basis of the combined group of plans in use. The estimation of the defined benefit obligation is sensitive to actuarial assumptions set out in the table above.

The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. The sensitivity analyses assume for each change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analyses below did not change from those used in the previous period.

	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Local Government Pension Scheme 2024/25		
Longevity (increase by 1 year)	2,968	0
Rate of inflation (increase by 0.25%)	6,917	0
Rate of increase in salaries (increase by 0.25%)	1,940	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	12,977
	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Police Pension Scheme 2024/25		
Longevity (increase by 1 year)	16,314	0
Rate of inflation (increase by 0.25%)	39,288	0
Rate of increase in salaries (increase by 0.25%)	9,683	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	68,555

Local Government Police Scheme - Impact on cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next three years. The latest Actuarial Valuation was completed on 31 March 2023 and details of the current and future employer's rates are shown below:

Year	Employer rate
2026/27	16.8%
2025/26	16.8%
2024/25	16.8%

Legal Cases

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation: Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims were stayed until the remedy was brought into force on 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Due to the differing benefits structures, the Actuary expects the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018/19 pension disclosures as a past service cost for four years remedy service from 2015 to 2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service. Now that the remedy window is closed, the Actuary has moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liability is held within the legacy scheme where benefits are expected to be paid from. After receipt of the Remedial Service Statement or upon retirement, eligible members will be able to elect which scheme they wish to receive benefits from for this period.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For the Police and Crime Commissioner, this affects the vast majority of pre-2012 joiners. Scheme actuaries originally estimated the increase in scheme liabilities to be 5.4% or £85.5m of the total Police Pension Scheme liabilities of £1.589 billion. This was recognised in the 2018/19 and 2019/20 accounts.

The accounting figures prepared in 2021, 2022, and 2023 already include an allowance for McCloud remedy that is substantially in line with the eligibility criteria and assumes that protected members currently accrue benefits in their legacy schemes.

For the 2025 exercise, an allowance has continued to be included for McCloud remedy that is assessed in a similar manner to that adopted previously.

The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgements on contribution rates for employers and employees was measured as part of the last Police Pension valuation. Employer contribution rates increased to 35.3% in 2024/25 (from 31.0% in 2023/24).

The impact of an increase in annual pension payments arising from the McCloud/Sargeant judgements is determined through the Police Pension Fund Regulations 2007. These require a police body 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 Commissioner in the form of a central government top-up grant.

Virgin Media Pensions Ruling

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted-out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993. Changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in June 2024 but the appeal was dismissed.

The Government is aware that following last year's Court of Appeal judgment in the Virgin Media case, there is increased uncertainty in the pensions industry, and they have recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. As a result, the Government have indicated their intention to introduce legislation to retrospectively cover any potentially impacted benefit changes and this means that there will be no impact on future liabilities.

17. Contingent Liabilities

Undercover Policing Inquiry

The purpose of this inquiry is to investigate and report on undercover police operations conducted by English and Welsh police forces in England and Wales since 1968. The inquiry is examining the contribution undercover policing has made to tackling crime, how it was and is supervised and regulated, and its effect on individuals involved – both police officers and others who came into contact with them.

A liability has been established and along with eleven other forces, external solicitors are engaged to represent serving officers. There is an agreement for Dyfed-Powys Police to meet a 5% share of generic preparation costs incurred by the legal firm and all costs incurred to date have been reflected in revenue accounts.

At this stage, the inquiry is not far enough progressed to reliably estimate future costs therefore no provision has been made in the 2024/25 Accounting Statements. The inquiry currently aims to publish its final report in 2026.

Glossary of Terms

Term	Definition
2024/25	This refers to the period covered by these accounts - 1 April 2024 to 31 March 2025.
2023/24	This refers to the period covered for comparative purposes by these accounts – 1 April 2023 to 31 March 2024.
Accounting policies	A set of rules and codes of practice used when preparing the accounts.
Accruals	The accounting treatment, where income and expenditure is recorded when it is earned or incurred not when the money is received or paid.
CIPFA	The Chartered Institute of Public Finance and Accountancy, one of the professional accountancy bodies in the UK. CIPFA specialises in the public services and has responsibility for setting accounting standards for these services.
Commissioning	The entire cycle of assessing the needs of people in a local area, designing services, and then securing them.
Contingent liabilities	These exist where: <ul style="list-style-type: none"> • a possible obligation arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or • a present obligation arises from past events but is not recognised because: <ul style="list-style-type: none"> ○ it is not probable that a transfer of economic benefits will be required to settle the obligation; or ○ the amount of the obligation cannot be measured with sufficient reliability.
Corporation sole	A legal entity consisting of a single ('sole') incorporated office, occupied by a single ('sole') man or woman. The Commissioner and Chief Constable are both corporations sole under the PRSRA.
Creditors	Individuals or organisations to whom the Chief Constable owes money at the end of the financial year split into short-term (within 12 months) and long-term.
Current assets	Items that can be readily converted into cash. By convention, the items are ordered by reference to the ease that such conversion into cash can be carried out.
Current liabilities	Items that are due immediately or in the short-term.
Current service cost (Pensions)	An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.

Term	Definition
Curtailment	Changes in liabilities relating respectively to actions that relieve the employer of primary responsibility for a pension obligation (e.g. a group of employees being transferred to another scheme) or events that reduce the expected years of future service of employees or reduce the accrual of defined benefits over their future service for some employees (e.g. closing a business unit).
Debtors	Individuals or organisations that owe the Chief Constable money at the end of the financial year, split into short-term (within 12 months) and long-term.
Defined benefit scheme	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.
Fair value	The price at which an asset could be exchanged in an arm's-length transaction less, where applicable, any grants receivable towards the purchase of the asset.
Financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A derivative financial instrument is a financial contract that derives its value from changes in underlying assets or indices.
IFRS	International Financial Reporting Standard.
IFRIC	International Financial Reporting Interpretations Committee.
Group accounts	The financial statements of the Group i.e. the two corporations sole, presented as a single economic entity.
Inventories	Amounts of unused or unconsumed stocks held in expectation of future use at the Balance Sheet date.
Leases	Where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.
Materiality	An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.
Net Interest Cost (Pensions)	For a defined benefit scheme, this occurs during the period when the net defined benefit liability (asset) arises from the passage of time.
Operating Leases	Involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.
Past service cost	For a defined benefit scheme, these arise from decisions taken in the current year but whose financial effect is derived from years of service earned in earlier years.
PCC	Abbreviation of Police and Crime Commissioner. The PCC is a separate corporation sole which was established on the 22 November 2012 under the Police and Social Responsibility Act 2011. Also referred to as the Office of the Police and Crime Commissioner (OPCC).

Term	Definition
Police Reform and Social Responsibility Act (PRSRA)	An Act of the Parliament of the United Kingdom which transferred the control of police forces from police authorities to elected Police and Crime Commissioners.
Retail Price Index (RPI)	Official measure of the general level of inflation as reflected in the retail price of a basket of goods and services, including mortgage costs, council tax and other household costs.
Revenue Budget	The estimate of annual income and expenditure requirements, which sets out the financial implications of policies and the basis of the annual precept to be levied on collection funds.
Right of Use (ROU) Asset	A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time. A right-of-use asset (ROU asset) is a lessee's entitlement to use a leased asset over the lease term, representing the right to obtain economic benefits from that asset. It's recognised on the balance sheet along with a lease liability, reflecting the lessee's obligation to make lease payments. The ROU asset is initially measured at the present value of lease payments and is subsequently depreciated over the lease term.
Senior Employee	An employee whose salary is more than £150,000 per year, or one whose salary is at least £60,000 per year (calculated pro rata for a part-time employee) and who is the designated head of paid service and a statutory chief officer. Typically, the Commissioner's Chief Executive and statutory Chief Officers.
The CIPFA Code of Practice (The Code)	Incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Group. The Code has statutory status via the provision of the Local Government Act 2003.