



**Dan Price**  
Cheshire  
Police & Crime  
Commissioner



Cheshire  
**Constabulary**



## **POLICE & CRIME COMMISSIONER & CHIEF CONSTABLE FOR CHESHIRE**

### **Financial Performance Statement 2024/25**

This Financial Performance Statement provides an analysis of the Commissioner and Chief Constable's financial performance and position over the last 12 months.

## 1. Financial Performance Statement

We have a responsibility to feed back to you, as a local resident or taxpayer, on how we spend and manage the Police and Crime Commissioner’s (the Commissioner) for Cheshire and the Chief Constable’s resources.

The financial performance statement compares the budget (what we planned to spend) with what we actually spent and explains the changes. If we have over or under spent, we have explained why. As well as our annual expenditure, this statement also includes information about our longer-term financial sustainability. This is important so that you know the resources we have available to provide services into the future. The summary shows you what is owned and what is owed together with what is put aside to make sure we can deliver services beyond this year.

You can have confidence in the figures in this report because we have to follow regulations and standards in compiling them and the information from our accounts is independently audited. This information is consistent with that reported in the audited accounts that are available from our respective websites.

## 2. About Cheshire Police

The Commissioner is usually elected by the public every four years to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account. In line with this, the current Commissioner was elected in May 2024.

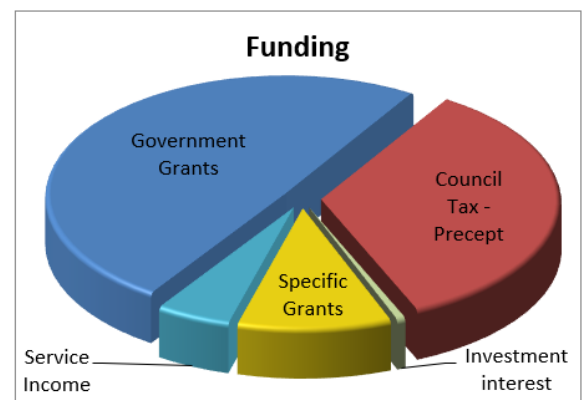
The Chief Constable is responsible for delivering operational policing for the county of Cheshire and reports to the Commissioner. We both work closely with Cheshire East, Cheshire West and Chester, Halton and Warrington Councils, Cheshire Fire and Rescue Service, other local partners and other police forces and Commissioners.

## 3. Where we get our funding from

We primarily get our money from council tax and grants from the government. We have to make sure that when we set the budget for the year, we can afford to pay for the services we offer. This includes any plans we make where we need to include longer-term commitments. We must balance our budgets each year (make sure expenditure can be fully paid for) and setting council tax is an important part of this process.

Our total funding for 2024/25 is shown below:

	<b>Funding £000</b>	
Government Grants	(150,107)	49.5%
Council Tax - Precept	(104,814)	34.5%
Investment Interest	(1,768)	0.6%
Specific Grants	(31,376)	10.3%
Service Income	<u>(15,373)</u>	5.1%
	<b><u>(303,438)</u></b>	<b>100.0%</b>



#### 4. Analysis of Financial Performance

The 2024/25 outturn shows an underspend of £1m which is 0.4% below budget balanced position. This is after taking into account £1.1m of approved carry-forward commitments into 2025/26, this relates to projects and plans that are not fully concluded by year end and require funding to be carried forward to allow for delivery in 2025/26.

The following table shows the detail of this underspend against the service headings which are explained in full within the Outturn Report presented to the Joint Management Board in July 2025 – please see the Commissioner’s website.

	Full Year Budget	Outturn Actual	Carry Forwards	Total Outturn	Outturn Variance	
	£000	£000	£000	£000	£000	%
Police Pay	136,446	136,465	0	136,465	19	0%
Overtime	3,277	3,869	0	3,869	592	18%
Crime	19,607	18,996	0	18,996	(611)	(3%)
Operations	44,578	43,577	385	43,962	(616)	(1%)
Centrally Delivered Services	37,309	38,736	277	39,013	1,704	5%
Collaborations	12,903	12,733	0	12,733	(170)	(1%)
Corporate Costs	(6,503)	(8,696)	291	(8,405)	(1,902)	29%
<b>Total Constabulary Costs</b>	<b>247,617</b>	<b>245,680</b>	<b>953</b>	<b>246,633</b>	<b>(984)</b>	<b>(0%)</b>
Office of the Police & Crime Commissioner	988	970	18	988	0	0%
Commissioning	1,225	1,078	147	1,225	0	0%
<b>OPCC Total</b>	<b>2,213</b>	<b>2,048</b>	<b>165</b>	<b>2,213</b>	<b>0</b>	<b>0%</b>
<b>Total Service Costs</b>	<b>249,830</b>	<b>247,728</b>	<b>1,118</b>	<b>248,846</b>	<b>(984)</b>	<b>(0%)</b>

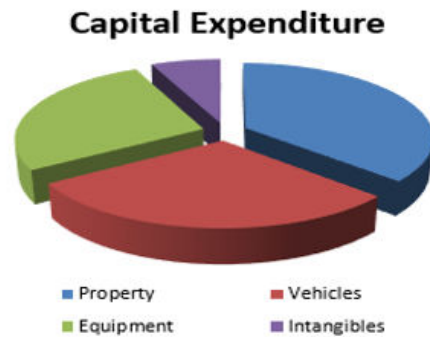
The main points to note are:

- **Workforce position:** At 31 March 2025, Cheshire Constabulary had over 2,419 police officers, an increase on 2023/24 (2,396 officers) and the highest level for more than a decade, exceeding the approved workforce target of 2,410. This reflects sustained recruitment and retention activity during the year.
- **Key overspend pressures:**
  - **Operational services**, particularly crime, operations and safeguarding-related activity, experienced demand-led cost pressures driven by sustained workload, complexity of cases and statutory responsibilities.
  - **Pay-related pressures**, including overtime and abstraction, were required to maintain service delivery and performance levels.
- **Key underspends and favourable variances:**
  - **Corporate Costs** recorded a significant underspend, primarily due to higher-than-expected investment income arising from active cash management while interest rates remained elevated.
  - **Additional income** was generated from our co-operation and contribution to Operation Safeguard (Prison Capacity) and driver offender retraining, contributing to the overall underspend.
- **Treasury and cash management:** Cash balances and liquidity were managed prudently, with low-risk investments delivering improved returns. While this supported the 2024/25 outturn, investment income remains volatile and non-recurring.
- **Reserves position:** Usable reserves reduced during the year to £19.6m, reflecting the planned application of balances to support service delivery and investment. General reserves remain at prudent levels but provide limited flexibility in the medium term.

## 5. Capital Expenditure and Financing

At the start of 2024/25 the capital programme included investment in estates, digital/information technology, vehicles, and equipment totalling £9.0m. The programme was reviewed, amended and changes approved throughout the year as necessary with the year-end position shown below together with details of how this was funded.

<u>Capital Expenditure</u>	£000	
Property	3,315	36.7%
Vehicles	2,670	29.5%
Equipment	2,437	27.0%
Intangibles	619	6.8%
<b>Total</b>	<b>9,041</b>	<b>100.0%</b>



<u>Capital Financing</u>	£000	
Capital Receipts	100	1.1%
Revenue Contributions	3,869	42.8%
Earmarked Reserves	1,656	18.3%
Lease	16	0.2%
Borrowing	3,400	37.6%
<b>Total</b>	<b>9,041</b>	<b>100.0%</b>



## 6. Summary Financial Position

The Commissioner and Chief Constable use your money to provide necessary local services. The summary financial position below (also known as the balance sheet) represents a summary, or 'snapshot', of our financial position at a single point in time. Each year, on 31 March, it sets out what the Commissioner and Chief Constable (known collectively as the Group) own and how much is owed and the resources it has left to support the provision of future services.

Below we show the group financial position at the year-end, which is a summary of the balance sheet in the audited accounts. This information supports the assessment of whether the group has a sustainable financial position and is able to support and maintain services on an on-going basis. The net financial position helps inform future financial planning and sustain the services we deliver.

Table 1: Summary of Balance Sheet	2024/25 £m	2023/24 £m	Movement £m
What we own (held as 'assets')	221	226	(5)
What we owe (held as 'liabilities') – General	(73)	(78)	5
What we owe (held as 'liabilities') - Pension Liability * <sup>1</sup>	(1,662)	(1,840)	178
Net Financial Position (assets less liabilities)	(1,514)	(1,692)	178

The net financial position is held in reserves as follows:

Table 2: Summary of Reserves	2024/25 £m	2023/24 £m	Movement £m
General Reserves available for future spend	20	23	(3)
Other Reserves held for statutory and/or specific purposes	128	125	3
IAS19 Pension Reserve * <sup>1</sup>	(1,662)	(1,840)	178
Total Reserves	(1,514)	(1,692)	178

\*<sup>1</sup> Statutory arrangements require pension benefits earned to be financed as the Commissioner makes employer's contributions to pension funds or eventually pay any pensions for which he is directly responsible. The pension liability and Pension Reserve balances therefore show a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

## 7. Financial Sustainability - The ability to plan for the future

We have to plan for the long term to ensure that we can continue to deliver our services in future years and be able to deal with any unexpected events. As a result, it is important that our financial standing (or sustainability) is robust.

We have a medium-term financial strategy which includes looking at risks and future demands on services. The biggest risks identified are likely to be:

- Funding – the current government have proposed a spending review in Spring 2025, and we await the outcome.
- Inflation risks – Pay and other general high inflation levels currently being experienced have introduced significant budget pressure to our medium-term financial strategy.

## 8. More about our Reserves

Table 3 sets out a breakdown of the general reserves on the balance sheet. These are split into two types of reserves – earmarked, reserves which are planned to fund specific projects or other commitments; and unallocated, reserves held to support future service provision and manage risk.

Table 3 – General Reserves	31 Mar 25 £m	31 Mar 24 £m	Movement £m
Earmarked reserves	14	17	(3)
Unallocated reserves	6	6	0
Total general reserves	20	23	(3)

## 9. Raising debt to finance investment

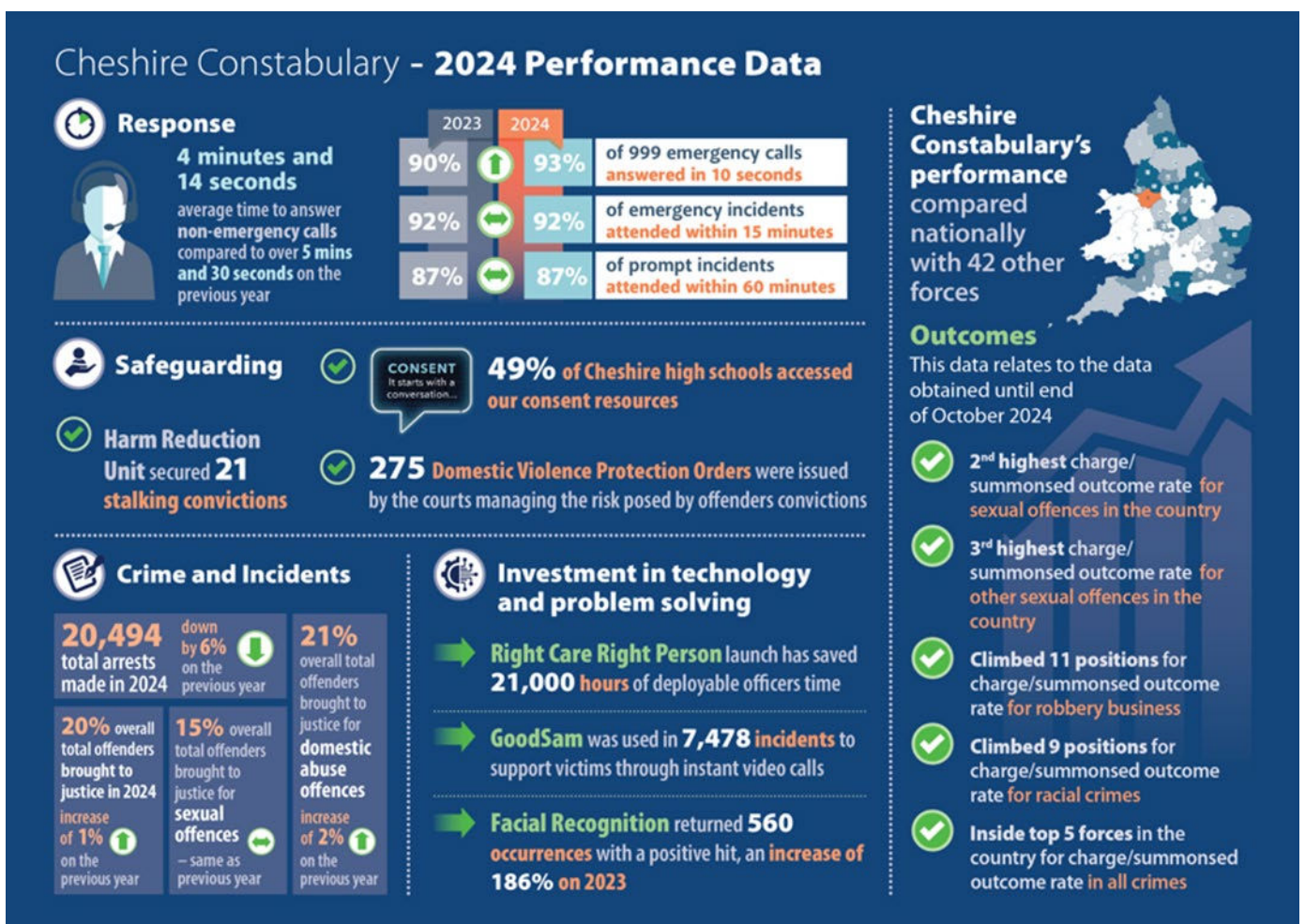
The Commissioner can borrow to invest in property or other infrastructure that supports the delivery of services, but we must ensure that we can pay this amount back. The current level of borrowing is £26.9m (2023/24 £29.3m).

We must set aside a prudent amount of resources each year so we can pay back the borrowing, and this must be affordable when compared to our annual income. We compare what this is costing against the funding we receive from council tax and grants to show you what proportion of funding is used for this purpose. For 2024/25 this amounted to 1.13% (2023/24 1.16%).

Further details are available in the Treasury Management Strategy on the Commissioner’s website.

### Performance Data 1 January 2024 to 31 December 2024

The Commissioner holds the Chief Constable to account for their performance. Details are published on the Commissioner’s website with the latest details at time of preparing the accounts shown below.



### Further Information

Every effort has been made to ensure that the information provided in this document is clear and informative. Should you require any further information or if you have any comments, please contact Clare Hodgson, Chief Finance Officer, Office of the Police & Crime Commissioner, on telephone number 07525 233438 or Bill Malloy, Chief Finance Officer, Cheshire Constabulary on telephone number 07879 470810 or via the Office of the Police & Crime Commissioner, 2nd Floor, Runcorn Town Hall, Heath Road, Runcorn, WA7 5TD.